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# EDITED TRANSCRIPT

CMPR.OQ - Cimpres PLC Investor Day

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## PRESENTATION

**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Hello, and welcome to Cimpres' 2022 Investor Day. My name is Meredith Burns, Vice President of Investor Relations and Sustainability. Today, we will hear from many executives representing Cimpres, Vista, BuildASign and Upload and Print. There are management bios available in the webcast viewer. So I will not spend time today introducing everyone. I will introduce the new face on the slide, Michael Fries, who joined Vista in April, running Vista's physical products teams, including manufacturing.

Here is a view into how we're going to spend the next 3 hours together. Robert will start with some perspective on FY '22, our advantages and market dynamics across Cimpres. Then Maarten will provide a technology update, both MCP as well as the replatforming efforts from around our businesses, including Vista. Paolo will provide an update on our Upload and Print businesses, and Bryan will do the same for BuildASign. Then you can see by the lineup of presenters for Vista that we plan to spend a significant amount of time here. Robert, Sean, Emily, Basti, Michael, Florian and Ricky will take us on a tour of the exciting progress we're making in this business. At that point, we'll all take a short break, and we'll come back to talk about capital allocation and outlook.

Finally, we'll finish with a Q&A session with all of our presenters. So a little bit on what to expect today. We did receive a number of presubmitted questions prior to the event. So thank you to all of you who put time into sending those questions to us. We'll be addressing many of them in the prepared remarks of the presentations or later in the event. Webcast attendees can submit questions at any time using the questions and answers chat button, and we will take as many as we can in the Q&A session at the end of the event. A replay and supporting content will be available on our website within a couple of hours after the event.

Some of the numbers we will show or discuss today are non-GAAP. You can find reconciliations to GAAP measures posted on [ir.cimpres.com](http://ir.cimpres.com) after the event right now live in the handout section of the live webcast viewer. There's a little tab. And finally, you can expect that we will share our thoughts about the future. So this is a great time to note that our actual results may differ materially from these statements about the future due to risk factors that are outlined in detail in our SEC filings and also here on this slide. We invite you to read them.

So with that, I'd like to turn the presentation over to Robert Keane. Robert?

**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO*

Thank you, Meredith. And as Meredith just did, I really want to welcome all of you to this Investor Day event. I think you'll learn a lot today and hopefully come away excited about what we have for you. So fiscal '22 was a year of significant progress across Cimpres. And we look forward to sharing a lot of examples of that success during today's event. We made very important and substantial investments for the future in the last year, and we overcame a challenging supply chain and inflation environment. And importantly, we also increased our market share.

Now in Vista, during fiscal '22, we also completed multiple foundations that we've been working on for the last 3.5 years. And Vista is now building upon those foundations and is really poised for a new stage in its transformation journey in which we are going to leverage those capabilities to drive tangible customer value and financial value. Maarten is going to speak about this in more detail, but over the last 12 months across Cimpres, in many parts of our business -- in many of our businesses, we've completed technology migrations, and that's increasing our velocity of customer value delivery. We also have continued to invest in our shared Mass Customization Platform or MCP.

In fiscal '22, our businesses leverage different parts of MCP to introduce new products, to improve document rendering for our customers, to run production facilities, and to maintain business continuity during what has been this challenging supply chain environment. Excluding volumes of face masks, which had surged temporarily during the pandemic, MCP enabled continuous rapid growth in the wholesale transactions between our different businesses.

Now this cross business revenue allows our teams to introduce more products faster and to benefit from focused, highly efficient production lines that exist across Cimpres. The chart on the top shows our publicly reported intersegment revenue. The chart on the bottom right shows the cross business activity, which is larger than intersegment because it also includes activities that's taking place between our businesses within any given reporting segment.

Now I've often talked in the past about how Cimpres' many differentiated capabilities, each of them with scale-based advantages help us compete. These include software engineering, product development, data and analytics, manufacturing and supply chain, design and service, globally competitive talent locations, procurement, e-commerce marketing, and team members who are experienced driving synergies through M&A. Cimpres' combination of all these capabilities is unique and it's, as I said, a competitive advantage. These advantages derive from a flywheel we have of talent -- tech and data-driven product development, efficiency, customer value, market share, cash flow and reinvestment and these capabilities (technical difficulty)

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Hello, everybody. It seems that we have lost Robert's feed, unfortunately.

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**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO*

I am back. Yes. I apologize. I'm not sure what happened there. But I believe, Meredith, can you tell me did I get through this slide, I was about to -- I thought I was about to move on to the next slide about...

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Absolutely. Yes. Moving on to the next slide.

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**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO*

Great. Apologies, everyone, for that Wi-Fi snaffle. It's one of the joys of working from home. Hey, thanks to those capabilities. Cimpres has become, as you know, the clear leader in its ongoing multi-decade revolution in the very large and fragmented markets that we serve. We do that through the mass customization of print. We deliver great value to customers through convenience, breadth and depth of choice, lower cost, fast -- production

speeds and reduced waste. The groupings of our capabilities on the right-hand side of this slide explain how we do this. The first 2 capabilities on the top, e-commerce and software-driven order aggregation and production are required no matter who the end customer is.

The third democratized design is required to serve customers who don't have graphic design skills. And I'll spend a moment to emphasize that third area of democratized design is something that VistaPrint has historically done very well for small businesses via do-it-yourself online studios and design templates. And as you'll hear later today, we've been investing to expand that design legacy new and valuable ways.

Now the overall opportunity for Cimpres remains enormous. The size of our total addressable market, our TAM in North America, Europe and Australia is over \$100 billion, consisting of the product categories you see on the left. We are growing our revenues in all these categories. On the right, you'll see that over 60% of the TAM remains off-line and that off-line portion is surged by tens of thousands of traditional competitors. There is plenty of runway in front of us to continue our growth from the competitive landscape.

And the next slide shows that customers agree. On the left, you see a pie chart, which is from a study we conducted in the middle of the pandemic in July of 2020. It illustrated that the pandemic lockdowns drove a huge percentage of customers to consider switching from off-line to online ordering of printed materials with roughly 80% saying they would probably be switching or yes, they definitively would be switching.

The other 2 charts are from research we just completed in August -- just this August last month. And the middle one shows that 1/3 of all in medium businesses who are not yet using an online service provider for print plan to start using one. And another 1/4 of them are considering that. The right-hand chart shows that the top reasons for moving to online are better prices, ease of ordering, convenience and a wider choice of product variety.

Cimpres' unique capabilities are a very large TAM and the off-line to online tailwinds we have, have all been key factors in our long track record of profitable growth. In fiscal '22, we reached an all-time high consolidated revenue and gross profit in Upload and Print, in National Pen, in BuildASign and in Printi. Our fiscal '22 EBITDA was well above fiscal '19. In other words, well above the last year prior to the pandemic. These businesses are well positioned to continue to grow in the future.

At Vista, if you compare the pre-pandemic fiscal '19 to fiscal 2022, revenue was roughly flat and EBITDA significantly reduced. As we've discussed in the past, and as you're going to hear more about today, we've been investing deeply to transform Vista, and we're going to continue to do that in FY '23, but we've reached a stage where those investments are beginning to translate into clear customer value and are starting to move key financial metrics in the right direction. That is why I stated in this year's Annual Letter to Investors of July 29 that we expect the shape of Vista's profitability improvement will start to be visible in fiscal '23, and that over the next several years, Vista's segment EBITDA and cash flow can return to historical highs and then beyond.

At the Cimpres consolidated level, we are well positioned to continue our multi-decade revenue growth, and we expect to surpass our historical high for EBITDA in 2025 fiscal year with continued strong cash flow conversion. Cimpres has multiple vectors to extend this 25-year history of growth while returning to those higher margins. As described in my annual letter as well, we invested in FY '22 approximately \$190 million of unlevered free cash flow into organic growth investments, largely in the 5 areas shown on the left of this slide. We expect to grow our opportunity, revenue and our -- expand our margins through, a, continued market share gains in our traditional markets. These are more mature categories like marketing materials, business cards and lower complexity signage, but they can continue to grow by providing customers with shorter lead times, improved design and service, capabilities and integration with digital media as well as attractive prices and a greater choice of products than competitors offer.

Moving to the right, we are also expanding into more complex products. Multiple product categories remain in the early stages of the business model transition from traditional offline to print customization online. These market segments include packaging, labels, promotional products, logo to apparel, books, catalogs and magazines.

Moving one more rectangle to the right, we can further democratize design to provide solutions for small businesses. Our biggest area of capital allocation right now is that investment to build out these full spectrum of design capabilities that you will hear about from Florian in a little bit. These will build on Vista, as I said before, traditional strength in serving customers who only have limited graphic design skills.

Next, we have an opportunity to grow into adjacencies through partnerships. Vista's partnership with Wix is a great example of this. And again, we'll go into more detail in that later today. We also have rationalized our focus in new geographic markets. We've recently announced that we are pulling out of Japan and China where our time line for reaching profitability was too far out and customer needs were too different than in our other country markets. This should improve our fiscal '23 profitability and improve our focus on the countries where we already are winning.

In terms of new markets, we are focusing our geographic expansion on Brazil and India, in which we are growing fast and approaching EBITDA breakeven. And finally, on the right, you see that Cimpres has an established track record of acquiring businesses and driving revenue and cost synergies. While material M&A is not a near-term focus for us given our current leverage ratios and other capital allocation opportunities, M&A does provide us a longer-term opportunity for future growth and capital deployment with strong returns given Cimpres' unique capabilities.

Now today, you're going to hear many examples of how fiscal '23 will be a year of focused execution across Cimpres, helped by the foundations that we've put in place in fiscal '22. The initiatives we have are compelling. The talent we have who is executing upon those initiatives is experienced, capable and aligned. And in summary, today's event should give you a sense of all the great work happening across Cimpres and why it bodes well for the future.

So with that, I'd like to turn the presentation over to our Chief Technology Officer, Maarten.

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**Maarten Wensveen** - *Cimpres plc - EVP & Chief Technology Officer, Cimpres & Vista*

Thank you, Robert. Good morning, good afternoon, good evening, everybody. Thank you for attending this investor update. My name is Maarten Wensveen. I'm the Chief Technology Officer for Cimpres and Vista brands. And let's dive right in. MCP has a critical mission with Cimpres technology implementing in their mission modular software products so that our businesses can focus on doing the unique thing forward to our customers while we take some of the more complex things that are necessary in our industry and really make scale advantages out of that in our organization.

We do that with an amazing set of talented engineers, UX product managers, data analysts throughout the world. And we certainly have some results of the investment over the last 7 years. You see now that we have over 150 million of our bookings flowing over the platform, a growing amount of suppliers, utilizing our network and over 6 petabytes of artworks under asset management, which basically translates into 8 million designs and over 5.7 of those -- million -- 5.7 million of those designs are actually being modified and being enhanced to make them better into our production work by all of our various assets of MCP.

And we have over 2.5 million shipments going to our customers per month. So these are some pretty big numbers nowadays. Specifically, I want to dive in a little bit into our product catalog.

And in our next slide, what you will see is that we have our MCP product information management system. This is a marketplace where all of our businesses can conduct our business with each other. This takes a little bit of the heavy lifting out of a lot of what we need to do in our industry. In our industry, there's almost as many businesses, there's methods of how to model a product from think about stock keeping units, SKUs to sort of advanced formulas. And it gets really complex quite quickly into the millions, if not billions, of permutation of how you can define a product that is truly unique to that customer.

And then there's a lot of things that go around it. What do you do when a product gets missed in the mill, when it gets damaged, and what are the remediation methodologies? We put a whole system in between that with our marketplace to make that easier for our businesses. And once we got over the hump to start adapting this throughout our organization, we really see this -- the utilization is starting to increase. 70% of all of our businesses are now -- flow is now happening over the platform. And this is something I'm extremely proud of and also very happy that we're over that hump of utilization where this is the shortest path for business to conduct quicker products to their markets.

You will now see more and more of -- by leveraging the scale of MCP, businesses have the ability to bring these new product offerings to their customers with much greater speed and ease. If we go to the next slide, you will see also that we have not only unlocked on the product side, but also on the e-commerce side, a lot of new great functionalities. In many of the Cimpres businesses, we are starting to see much more personalized customer experiences. This is truly what e-commerce sort of in many places that are doing this, but we're really stepping that up to become in

many of these places, some of the more leading e-commerce technologies in terms of personalized experience. We do this through experimentation. We have dozens of experimentations running across many of our businesses to feed these sort of customer archetypes where we can have a more personalized experience for the customer and a more relevant product offer. We do this through more speed, but we have more speed and more agility to implement these features.

I'm very, very pleased, especially with -- to say also today, this is the last time that I will talk to you about the VistaPrint platform migration. The VistaPrint platform migration is completely done. There is 0 revenue flowing over our old infrastructure. That means we're 100% microservices event-based, API cloud-based and technology company with our front end and our back end with MCP. And I'm extremely happy that we cross that milestone. But what it really means is that we are unlocking a foundation to do a lot more things. And my colleagues today will show you a lot of the exciting things that this actually unlocks for us and for our customers eventually.

One thing that I specifically are also very happy about, which I will mention here is that the tenant that we're able to attract to work on such technologies is just infinitely more. People want to work on things that are the latest and greatest technologies. And that helps them to build amazing fast integration with partnerships like the likes of Wix or build some machine learning algorithm that we use in design. These things are really fun and exciting for our product managers and engineers and data analysts to work on versus what we are maintaining a legacy platform.

So I'm very excited. And also, I can tell you many people in our organization are excited that we cross this milestone. So what does that mean for MCP? Well, MCP definitely now has a major mission. I mean on the shoulders of MCP is resting these amazing companies, and we cannot let them down. We have to continue to strengthen this platform. Again, like I mentioned, 70% of our business flow is flowing over this platform now. So we must continue to harden it, make it easier. And also, there's improvements possible. We think we can even get more out of the speed where with one product -- one company introduces a new product and even make it simpler for the other companies to immediately implement that product in the market.

So with -- those things will really, really, really strength -- will really strengthen the whole group as a whole -- the group as a whole. But MCP's main mission, especially this year, is to keep continuing to invest in Vista. There is so much in this multi-journey -- a multiyear transformation journey for Vista. And if you've read in Robert's investor letter in July that we're pivoting even harder and making sure that these foundations that my colleagues will talk about are really, really going to give a great customer value. And you will see that we are investing a lot in our site and our category experience that we will have an amazing set an array of things that we're doing in the design space and really create a better relationship with our customers first as we are at the place where you first buy the product. There's a lot of amazing things coming with that.

And with that, I'd like to give it over to Paolo.

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**Paolo Roatta** - *Cimpres plc - CEO of The Print Group*

Thank you, Maarten. I'm Paolo Roatta, the CEO of the Print Group, and I'm here today to represent all of Cimpres' Upload and Print businesses. Those in PrintBrothers are Druckwerkdeal, Printdeal and WIRmachenDRUCK. Those in the Print Group are Easyflyer, Exaprint, Pixartprinting, and Tradeprint. I'm excited to share with you the latest updates of our division. And I'll start with a video clip that shows you all of our businesses from the inside, so that you will see how we transform our customers' ideas into products.

(presentation)

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**Paolo Roatta** - *Cimpres plc - CEO of The Print Group*

(inaudible) financial results across the collection of Upload and Print businesses were strong. Though we had some pandemic impact during the year, revenue, EBITDA, unlevered free cash flow were collectively at record levels. Reported revenues of \$856 million, was up 23% versus year before. At organic constant currency, that is a 30% increase. Some growth in the second half of the year was aided by price realization as some of our businesses adjusted prices to offset input cost inflation. But the majority of the revenue growth across the group is coming from year-over-year pandemic recovery and market tailwinds, new product introduction and most importantly, new customer acquisition.

Combined, Upload and Print EBITDA of \$125 million, was up 45% and EBITDA margin increased to 15% as a result of the pandemic recovery, but also of the introduction of faster-growing, high-margin products. Combined Upload and Print unlevered free cash flow of \$112 million, was up 53% as a consequence of the increased EBITDA and significant working capital improvements. But let's have a deeper look at why we are achieving these results.

In next slide, we can see that, first of all, we did have some favorable market dynamics. As Robert mentioned earlier, research shows that during the pandemic, the shift towards online players has accelerated, and our growth rates are stronger than our smaller online competitors, both during the height of the pandemic disruption and during the recovery when supply chain and inflationary challenges emerged. We're not immune to these market challenges, of course. Cost of raw materials has increased for us, too. The supply of some materials like paper was harder to secure. Our energy cost went up significantly year-over-year, but we have a larger scale and higher margins, and this represents an advantage for us versus traditional suppliers or smaller online players who have fewer levels to pull when input costs go up. And we are the largest player in the European market, as you've seen from the video.

So when a smaller player cannot access paper, for example, they're forced to either stop serving the customers or to turn to mass customization players like us. And this explains some of the growth that we had in fiscal year '22.

Now we've seen broadly the customers have accepted input costs going up. And therefore, the price of finished goods have to increase. Now since January, we've seen roughly a 10% increase in the market for end customer pricing on certain products. And our businesses as well as other businesses and online players have adjusted to that trend. And this has allowed us to essentially cover for rising input costs without materially degrading our profit in absolute numbers.

Now our financial strength is also the result of leveraging our capabilities across Cimpres. First of all, we've been able to better service our customers through our investment in growing high-quality, lower-cost time pools. And in introducing new design tools from MCP, for example, that enable in-browser configuration for complex applications. Also, we have consistently launched new products in complex areas like multipage, catalogs and books or packaging or labels. And this has opened up market opportunity that didn't exist before. For example, if you look at flexible packaging, we are now able to produce orders in quantities of 50 when before that, the industry standard was 50,000.

Of our books and catalogs, there's a growing trend to downsize the production runs, shifting demand to mass customization players like us who excel at producing smaller volumes. Also, we have access to new revenue streams, to more profitable production through MCP, as Maarten has said before. For example, when a Cimpres business links to MCP, it can access the product catalogs of our other businesses. And this has benefited many of the businesses in Upload and Print by accelerating their ability to launch new products.

On the cost side, a good example would be Vista, who has decreased its reliance on outsourced production for a growing number of categories by shifting production to some of the businesses within the Upload and Print network, as Michael will tell you more in details later.

We have incredible scale-based procurement capabilities that is another one of our advantages at Cimpres. And we are able through that to navigate supply chain challenges better than small competitors. And this allows us to keep our cost inflation lower than market and also in ensuring access to supply when [that is scarce].

And finally, we relentlessly focus on innovation. That's a key word. And our innovation goes through the R&D partnership with our suppliers, the suppliers' technology of production technology that we call partners. Now picks a printing facility, for example, it's common to see us testing equipment that is not available on the market today. So what we call beta test. We work with our partners to push the boundaries of what's possible with their equipment through custom configurations and processes that we have access to before our competitors. And this enables us to be highly efficient and to continually lower the cost of production, and this benefits our customers as well as our margins.

And I'm proud to say that our partners publish productivity reports for their deployed feed, and we are consistently at the top of the list in terms of overall efficiency. So as a result of these market dynamics and advantages across Cimpres, our businesses tend to accelerate market share gains during periods of recession. This doesn't make us immune to recessionary impact, as I said before. But we feel we are well equipped to navigate a macro downturn successfully, as demonstrated most recently during the pandemic.



Our product portfolio breadth and the diversity gives us a relative advantage during downturn because different products have different reactions to the pandemic. For example, during the COVID pandemic, though marketing materials did decline across our businesses, our packaging products grew rapidly. So the combination of these factors yielded growth in both new customer acquisition as well as increasing customer value, which is very beneficial considering the high repeat dynamics of our Upload and Print businesses.

And finally, when I look ahead to fiscal year '23 and beyond, I am very excited because we have a lot of opportunities. And we have a lot of advantages that we can continue to leverage. And we know we are ready whatever comes our way in terms of macroeconomic pictures. Also, we are focusing on launching more sustainable offering, investing in our communities, strengthening the diversity of our teams, and we know that this will help us uncover new opportunities and mitigate risks.

And as a final point, we have a long history of creating opportunity where it didn't exist before and we will continue this focus in fiscal year '23 with introducing new products and creating new market segments. So if we are successful in fiscal year '23, I expect we will continue to grow revenue, profit and cash flow, enhancing the value of Upload and Print to Cimpres and its shareholders.

Thank you. Now I'll hand things to Bryan.

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**Bryan Kranik** - *Cimpres plc - CEO, BuildASign*

Thank you, Paolo, and good morning, everyone. I'm Bryan Kranik, CEO of BuildASign and happy to be here to provide an update on the exciting things happening at BuildASign. I'll start with our financial results since BuildASign was acquired by Cimpres on October 1, 2018. Overall, these charts illustrate our strong revenue and EBITDA growth since the acquisition. Also notable and as we discussed in last year's Investor Day, the FY '21 results included many unique challenges as well as opportunities created by the pandemic. And thanks to multiple fast and decisive actions taken by the team. We were able to deliver record financial results 2 years ago.

As we transition back to normalcy this past year, I am pleased to share that our FY '22 revenue and EBITDA are stronger than prepandemic levels even in the face of some new challenges that emerged over this past year and of which I'll provide more details on the next slide.

In an effort to better explain our business performance before and after the pandemic, we created these 2 charts showing annual revenue and gross margin percent for 2 of our largest product lines, namely signage and home decor, assuming the year ended on March 31. We selected March 31 since the month of April 2020 was the first full month that we saw a material effect on our business from the pandemic. We then indexed them back to the 12 months just prior to April 2020 to better illustrate the before and after impact over the past couple of years.

The green line and the associated numbers are the indexed annual revenue growth by year, while the gray line represents the indexed annual gross margin percent by year.

On the left, you see that revenue from our home decor product line surged during the pandemic as consumers bought canvas products and other home decor items to stay close to family when they couldn't physically be with them or just simply spruce up the walls in their homes, which they rarely left that year. This strong demand, coupled with production constraints created by the frontline staffing challenges also allowed us to raise prices and spend less in marketing dollars.

And while our home decor products sales declined in the most recent year as things started to return to normal, they're still 23% higher than the period before the pandemic. From a gross margin perspective and similar to most businesses, we were hit with multiple input cost increases this past year as well. And even in the face of those challenges, we were able to hold the line with our home decor gross margin percent generated prior to the pandemic, although on much higher revenue.

On the right-hand chart, you see the same info now for our signage product line. Here, the pandemic negatively impacted revenue that we were able to expand our gross margins on these products 2 years ago. And we've largely kept those gains this past year as we've been successful in passing on many of the increased input costs of these products to our customers.



Finally, these 2 charts also illustrate the diversity of our products and customer base. More importantly, how they can help complement each other. Now that we're granted on our financial results, let's shift to talking about the progress we made on some of our strategic priorities in FY '22.

BuildASign.com was also a Cimpres business that migrated to a new e-commerce platform in FY '22. The new platform, as Maarten touched on, enables us to move much faster and with less friction in regards to feature improvements, new product additions, pricing changes and also provides a much more friendly -- mobile-friendly experience. Since launching BuildASign the platform, the results have been outstanding. Site conversion has increased by nearly 10%. And the overall site speed is 15% faster, which is very important for organic SEO rankings.

Now that we're able to quickly and easily make changes, we have started to work down a long list of changes and enhancements to the site and product offering we've been sitting on for the past few years. This list includes new product introductions, upsells, cross-sells, new site flow tests, pricing pass and improved site navigation tools. All of these improvements and enhancements are now so much easier to implement and will ensure we continue to be best of breed in every product line we sell.

In FY '22, we also made tremendous strides in leveraging and aggregating data to further optimize our marketing dollar spend and make better overall business decisions. Over the past year, we built a cloud-based data warehouse, leveraging 6 of the most cutting-edge third-party software solutions which now enables us to ingest data from multiple sources, aggregate them into this data warehouse and then send this data to third-party marketing platforms to manage our marketing dollars at the most efficient levels possible.

The initial test pilot is demonstrating a 10% improvement in marketing dollar efficiency and we look forward to leveraging this new and enhanced data-driven process across our entire digital marketing spend platform, where we spend over \$25 million per year. The new platform will also improve the accuracy of our business management analytics, including our high season production and marketing interlocks, which are so critical to manage through the frequent capacity constraints that we incurred during those time periods. We're extremely excited about the possibilities for improved usage of data and performance optimization, I feel like we're just at the beginning.

Another strategic area where we made good progress in FY '22 is in building and scaling our culture. As we grow, we are working to profitably scale up our resources to be able to serve our customers more effectively and efficiently. We have doubled down on diversifying our teams outside of Austin. In a relatively short period of time, we have grown our teams in Jamaica and India such that 20% of our workforce is now outside of Austin, Texas. Also notable that 50% of our software development team is now located in India, and 47% of our customer -- of our customer support team is now located in Jamaica. We would never have been able to move this quickly without the presence of Cimpres in these existing markets, which is once again a clear synergy of being part of Cimpres.

We have also continued to focus on remote and in-person team member engagement, which is so important to our company values and our overall performance. And a last thought, I'd like to share a video, and you'll hear about our culture from our team members directly. I will note that this video is probably more targeted towards recruiting than investors but I still think it's relevant and captures the essence of the BuildASign culture.

(presentation)

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**Bryan Kranik** - *Cimpres plc - CEO, BuildASign*

All right. That's the team that makes it happen. I could not be more proud. FY '23 is already off to a great start. And as we're leveraging all the tremendous work from our FY '22 strategic initiatives, and we're finally seeing some stabilization in supply chain costs. Overall, the road is never easy. But after what this team has managed through the past few years, I'm confident that no matter the challenge, this team will find a way to win.

Now I will turn things over to Robert for the Vista presentation.

**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO*

Thank you very much, Bryan. We -- I just want to say if I happen to lose my connection, which hopefully won't happen, Sean is going to jump in and pitch it for me. But we're now going to turn to an in-depth discussion of Vista. And you've seen these presentations from Paolo and Bryan, and they really demonstrate Cimpres' strength in the mass customization of print. And it's important that you, as investors, understand that mass customization of print and its related products will continue to be Vista's economic engine in the future.

In my opening presentation today, I did mention Vista's journey towards strategic a North Star, and we are moving in that direction because extensive customer research has shown that Vista can grow for years to come if we embed those customized physical products within a broader value proposition of being the design and marketing partner to small businesses.

Now Vista has a great opportunity to capture a much larger share of the wallet of millions of small businesses like this real-life Vista customer that you see here, who are the owners of the Jah Jah Afro vegan restaurant in Paris. The passion of these particular small business owners is to combine great food with great music. But in running their business, they need to do so much more. And that long list of things to do means things take time. And time is one of their most precious and limited commodities.

Now making their business (inaudible)...

(technical difficulty)

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**Sean Edward Quinn** - *Cimpres plc - VP & CFO, Cimpres & Vista*

(inaudible) this design and marketing solutions together at scale and we believe that by moving from transactions for inexpensive print to relationships based on helping our customers look and feel legitimate and credible, Vista will keep customers happier over a longer period of time, and that will drive attractive financial returns.

This chart here shows the amount of variable gross profit by customer decile. And from the left to right, we go from the tenth decile all the way over to the first decile. Our top 30% of customers account for 76% of our variable gross profit and 70% of our customers account for 95%. Importantly, our customer research has consistently shown us that many of our customers who are in the middle were the lower deciles, actually have marketing budgets that are similar in size to the marketing budgets of our best customers. But since Vistaprint traditionally focused on deeply discounted simple print products, customers have very often gone elsewhere for much of their spend. And so by investing in the capabilities that expand our customer value beyond the historically limited types of products and designs that we provide, we believe we can serve many more customers at levels similar to our top deciles.

Winning in design is a key example of such a capability that we've been investing in. And we've presented and discussed the data on this slide in the past. So I'm not going to go through it in detail here, but just a few takeaways to highlight. The first one is that the pie charts on the left show that design is a significant part of the SMB marketing and that small businesses who spend money on design account for the majority of the total addressable market and that although physical products account for the largest portion of the SMB marketing budget, they are nonetheless less than half of that budget.

The column charts on the right show that small businesses who pay for design account for the majority of our total addressable market for the non-design portions of small business marketing. So that's very important. And these slides illustrate why we're making such a large investment in design. Design does well -- design brings Vista the opportunity to expand our per customer LTV for the years to come and to attract and retain many more high-value customers, and I'll share more on that in a bit.

The 2x2 matrix on this slide is new, but it illustrates how excelling at design will help to expand its addressable market for the more complex products, which are already on -- already an important driver of revenue and profit growth in Cimpres' Upload and Print businesses that you heard about from Paolo.

The horizontal axis represents the graphic design skills of customers, novices on the left and professionals on the right. The vertical axis here represents the complexity of production of physical products, lower on the bottom and higher on the top. And for 2 decades, VistaPrint has been a leader in that lower left quadrant, lower complexity, small business print products for customers with limited graphic design skills.

Our Upload and Print businesses originally began in the lower right, serving graphic design professionals for similar products that VistaPrint used to -- or still does sell. Under Cimpres' ownership, the Upload and Print businesses have expanded to the upper right quadrant, selling to graphic professionals for products with higher levels of production complexity.

The Vista investment in design will move Vista into that upper left quadrant, continuing to serve small business customers who have limited graphic design skills, but importantly, expanding the product line to higher complexity physical products, which we've already developed in Cimpres' Upload and Print businesses.

So going back to customers like the Jah Jah restaurant, an example of more complex physical products is fully compostable, eco-friendly food packaging, which is already a fast-growing product category for our Upload and Print businesses, and we expect will be soon for Vista as well.

The expansion of VistaPrint into many more types of print and related products is a clear example of how we have and we'll continue to expand our offering. But as this slide illustrates, there are a lot more examples. 99designs is a global network of graphic design professionals, available on demand for customers who are willing to pay for bespoke design that constitutes the majority of our TAM, as I outlined on the prior slide. You'll hear a lot more examples from my colleagues about VistaPrint and our full spectrum of design later in the presentation. So at this time, I just want to touch on how we've expanded our customer offering through the partnership that we have with Wix.

Here, we're in the early stages of a deep long-term partnership. That partnership is with Wix, who we believe is the best in the world for online present solutions for small businesses. As so many other areas of our -- of improvement, our Wix integration was dependent on our migration to the new tech platform. We now have launched the Vista x Wix offering in most of our Vista markets, and we've begun to merchandise it on our site and in e-mail and other marketing channels. Revenues are still small at this stage, but we're seeing strong improvements to customer satisfaction, to lifetime value relative to our legacy website solution, and that's very exciting to see in these early days of the partnership.

It bodes well for future returns that we expect from the partnership, and we do expect that to grow steadily this year and beyond. The Vista x Wix partnership allows Vista to offer customers, again, like the Jah Jah restaurant you saw earlier, another compelling design forward offering, that's a key part of the marketing that they need as a small business.

So let's take a step back and look where Vista is on a transformation journey. You can think about our journey in roughly 2 broad periods. The first is the foundation building, and we've completed -- that we've completed up until today and how we build upon those foundations going forward to drive customer value and financial value. Maarten already spoke about our biggest single foundational investment, our migration to the new tech platform, the opportunity cost that we accepted in order to focus on rebuilding our technology over the past 3.5 years, really cannot be understated. Vista has not materially changed the VistaPrint website experience in 3 years. However, we now have the technology, the data and the talent foundations to drive fast-paced product innovation, customer value and growth.

Fortunately, we have not been standing still in the other aspects of our transformation while we migrated to our tech stack. Our acquisitions of 99designs and VistaCreate and the partnership I just mentioned with Wix are great examples of the foundations we now have in place. Likewise, you'll hear from Basti that we've been building sophisticated value-delivering data products, Ricky will show how we've developed compelling branding and advertising to communicate our expanded customer value proposition. And I'll discuss now how over the past 3 years we've made multiple changes that have improved our per customer lifetime value. So let's dive in there.

Improving the per customer economics in our traditional addressable market in Vista that we outlined earlier or I outlined earlier was a key initial focus of our transformation. We achieve this by modifying how we price and merchandise our products so that we'd be more attractive to customers who sought a fair value for great products moving us away from our prior focus on discount sensitive, promotion-driven customers. As an example, following a data-driven approach, and Basti will talk more about this, Vista has significantly reduced discounting while concurrently reducing our list prices in order to improve price transparency. We also modified our merchandising and our marketing to highlight how we help small businesses

look and feel professional and greatly reduce the price and discount-focused advertising in the past that attracted many of the customers in our lowest profitability deciles.

The chart here -- the charts here are the ones that we've shown before. They're just updated for FY '22 data. And they show that we've returned to our long history of increasing the variable gross profit per first-time order, which is on the left and the annual variable gross profit that we get from our repeat customers, which is on the right. The annual percentage increase in each of these metrics, you'll see, had fallen significantly between fiscal '16 and fiscal '19, but it's since recovered to decade-long highs in fiscal '22, not only in terms of the year-over-year growth, but also in absolute terms. And that's been driven through improvements in our traditional business, not yet from serving customers with new offerings and experiences again that you'll hear about in a bit.

Since 2019, Vista has also curtailed our advertising that was not economically justified, and we've consistently improved our measurement and our machine learning-based optimization systems for advertising ROI. This improved rigor in our performance advertising, combined with the pricing, merchandising and marketing changes described on the prior slide, but also the impact of the pandemic has led to a reduction in our customer count. But -- that itself doesn't tell the story. By clicking one level down, we can see the progress of this journey that we're on.

The chart here illustrates the change from fiscal '18, the last full year before the start of our transformation to fiscal '22, in Vista's customer count and variable transaction profit, and that's presented left to right by range of order value. One just quick housekeeping note as there's a lot to take in on this slide. On the customer count, if we lost the customer in a low order value band but gained them in a higher-value band, they would count in both. So the loss of customer numbers that we drove through our transformation is actually lower than what you see here. In fiscal '18, Vista served 16 million unique customers. And in fiscal '22, we served 11 million unique customers.

But on the slide here, you see on the left that we lost a high number of customers in the sub-\$60 orders and we gained customers and importantly, very profitable ones in the higher than \$60 order value ranges. On the right, you see that the variable transaction profit from our mid- and high-value customers has grown meaningfully since the beginning of this transformation, while variable transaction profit from customers in the low order value bands has decreased meaningfully. We're only offsetting one another in total dollars. That's really positive.

Later in this presentation, you'll hear examples of the ways we will now grow the number of customers we're serving with attractive lifetime values, now that we're through the foundational part of our transformation journey. When we layer the shift to higher-value customers on to our advertising spend, it has a really positive impact, and so let's turn now to that.

In recent Investor Days, we've talked about the data-driven improvements in our performance advertising. Not unique to us or to our industry, we've seen a shift of our bookings toward paid channels, and you can see that shift in the chart on the left, which shows the mix of our bookings between paid and free channels from fiscal '18 to fiscal '22. That said, we've significantly and consistently improved the return on our ad spend in our paid search nonbranded channel. You can see on the chart on the right that in late 2019, when we started to make the changes as part of our transformation, efficiency started to improve, measured by comparing our variable gross profit. It's not revenue but variable gross profit generated in this channel relative to the spend each quarter.

This doesn't include the projected future value of these customers, which, based on the prior slide as I showed, has also improved. These improvements here have been driven by increased talent, improved tooling and better and more sophisticated use of data. And you'll see that the efficiency ticked down last quarter in Q4 connected to the platform migration in the U.S. and some of our other major markets. But that trend has returned now to the trend line so far this quarter, and there's an opportunity to continue to make further improvements from here.

So moving on, just to bring these last few slides together. This is an updated view of 2 charts we've shared before. On the left is the cumulative gross profit per customer. And on the right, the contribution profit per customer each by fiscal year acquisition cohort. And in both cases, you can see that the green line for fiscal '22 is at the highest level and also with an improved slope. I'm going to show you just one more chart, it's a new one, but it's similar to what I showed a couple of slides ago. This shows our customer count and variable transaction profit by new and repeat customers. And that's, again, oriented by order value band. And this is a comparison of Q4 of fiscal '22, so the last completed quarter to Q4 of fiscal '21. This is just for Canada. Canada is our second largest market.

We think that Canada -- the Canadian market is a leading indicator for what's ahead in all of our markets as we start to turn the corner on moving from transactions to relationships with customers. Vista started rolling out changes to discounting, to advertising and also merchandising in Canada before we did that in other countries. We also changed our pricing approach early in fiscal '22 in ways that haven't been fully rolled out in other markets.

You can see on the slide the intended impact of this multiyear shift to mid- and higher value customers. The chart on the left shows that mid- and higher-value customers and specifically new customers, which is great to see, are driving net growth, more than offsetting the decrease in lower value customers. And then that is driving the Canadian market's strong year-over-year growth in variable transaction profit of about 20%.

So with that, I am going to attempt to turn it back to Robert to talk about how we can achieve this type of economics and this type of growth on a broader scale. Let me see if Robert can come back in. Otherwise, I will continue to pinch it for him.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Sean, you're still on.

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**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

All right. I'm good in to see now. All right. Great. So up until this point in the presentation, we've been focused on how we have put in place foundations for the future. So now, following the migration in August of the last country off of our legacy monolith to our new tech platform, which, again, we just can't understate that is a hugely important milestone. We're now embarking on the next phase of our transformation journey, where we expect to drive significant customer and shareholder value through new and enhanced capabilities. Doing that will yield ROI attractive revenue growth return on the foundational investments we've been making, and it will allow Vista to become the expert design and marketing partner to small business.

Today, you'll hear about our progress and plans in the following areas: first, Florian is going to start out with a description on full spectrum design. In other words, how we'll bring design to life on both physical and digital products through great design and service. Emily and Basti are then going to walk you through experimentation and data capabilities that have started to benefit us. And then Michael is going to come in and share what we're doing in physical product category experience, including site improvements, production efficiencies, new product introductions and quality enhancements. Ricky then is going to illustrate Vista on full funnel marketing, why it's important to complement our traditional performance advertising and how we're building the content and relationships we need to move the needle on being recognized as a partner to small businesses. Basti will rejoin after Ricky and describe how we'll measure those expanded marketing channels. And then lastly, I'll jump back in and talk about our financial results and our expectations for the future from a financial perspective.

We have not seen the results of Vista's transformation in our financial results because of our deep growth investments are not yet offsetting their costs and we've talked about this over recent years and quarters. Nonetheless, today's presentations are going to clearly show that the Vista of September 2022 has much stronger foundations than the VistaPrint of September 2019, and it's vastly better poised for another decade of value creation.

In summary, Vista is ready to run. And so let's now move to the show -- to show what we're doing in terms of design and service, and I'm going to hand it over to Florian to do that.

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**Florian Baumgartner** - *Cimpres plc - EVP, Design & Service, Vista*

Yes. Thank you so much, Sean. My name is Florian Baumgartner, and I'm the EVP of Design and Service at Vista. I'm here to talk to you today about the importance of design for our customers and for us for our growth trajectory here at Vista. But before we dive in, let's watch a quick video.

(presentation)

**Florian Baumgartner** - Cimpres plc - EVP, Design & Service, Vista

All right. So why does design matter so much to us and to our customers? Well, if we own design, it means we can serve a customer longer, better and create more value, be that through print, websites or subscription-based services.

On this chart, you see a couple of data points that illustrate the financial value of design for Vista already today. So when a customer uses our design services, the chance that they will end up in our top decile bucket of customers more than doubles. Even when you are in the top decile and using design, your variable gross profit is 20% higher than the average of that top decile. And lastly, when a customer uses our design service, 80% say that they would recommend us to a friend or family member.

I think from these data points, it's obvious that design matters a lot to us and that we can drive significant financial value by amping up design in the next couple of quarters and years. But why is design so important for our customers?

Next slide, please. So we conducted numerous research. And all of that research concluded that small business owners find it very, very hard to create designs that make them look and feel legitimate, incredible. When they take design into their own hands using DIY tools, they often run into trouble, be it a little bit of help along the way. And when they consider working right up front with the design professional, they wondered what that is like and often find it expensive. This is exactly where we come in.

Our value proposition which we internally call a full spectrum of design, it's all about making it really, really easy and convenient for small businesses to create high-quality designs whether they design themselves, we call the DIY design, whether they want to see a little bit of help along the way, we call that DIWH, do it with help or whether they want to use bespoke design services, which we call DIFY, do-it-for-you services.

When we surveyed small business owners about their usage of design services in the past 12 months, we found a couple of interesting things. So firstly, focusing on the right-hand side of that chart, we found that a sizable portion around 34% did not use any design tools or services in the last 12 months. That illustrates a significant opportunity we have to democratize and professionalize the segment overall.

When you then look at the left-hand side of this chart, the colored circles, this is the percent of small businesses out there who use design services, you find that a sizable portion of 32% of the original survey respondents or nearly half the ones who did use design tools and services used a combination of tools and bespoke services. So that illustrates the relevance of our full spectrum design offering, which really aims at bringing together these template-based DIY tools, design help and support and bespoke DIFY, do-it-for-you services into one single experience with one trusted partner, Vista.

Let's talk a little bit about what's ahead of us in these 3 areas that are part of our full spectrum design strategy, and I'm going to talk about some of those existing experiments and what's coming in the next couple of slides. Before I dive into each of the DIY, do it with help and DIFY sections, let me call out the section that's at the very bottom of this chart. You will remember, and those of you who've been following us for a while, some elements of our full spectrum design value proposition were only very recently added through the acquisitions of VistaCreate, Depositphotos and 99designs. So an additional focus for us in the fiscal year 2023 is to build the foundation of technology that will support a seamless customer experience across all design and service components. This will be a longer-term investment, but we will make good progress in FY '23.

And I can't stress enough having completed migration off of our monolith finally allows us to get started with customer-facing experimentation on design, and I'll be providing a couple of examples of the investments and experiments in flight in the next couple of slides.

So let's start it off on the next slide with a quick view on the DIY features in our VistaPrint Studio. We have a big opportunity to drive very near-term improvement in the VistaPrint Studio experience. Several improvements are in flight, such as, the ability for customers to change product sizes and templates inside design studio without having to go back, click the back button in the browser.

Click Studio is something that we've very successfully experimented with. It means that customers do not need to leave the gallery page when all they want is a simple change -- a very simple change to a template without a lot of editing flexibility. We're also adding more studio validations to



proactively reduce errors when customers design. And there's a lot more going on that's not on the chart so improving the experience for uploading designs as well as improving the findability and relevance of templates, for example.

Let me use the first example that I gave, so changing sizes and templates inside studio as a successful test that we concluded in the last couple of weeks. So by making our studio more flexible, we are able to bring down the share of customers who do reach studio, but then find themselves having to hit the back button because as they design, they discover that the product size and what they wanted or the template that they initially chose doesn't exactly meet their needs.

So in the past, this meant they have to do this unpleasant go-back click in the top of the browser to go back to the previous step often losing their design on the way and through the improvements that we've made, we saw a 25% reduction in these unpleasant go back to the previous step experiences. And that testing and even that implementation would never have been possible on the old platform. This example and all the others, we're really very closely measuring, evaluating by their impact to customer experience and conversion and we'll be rolling out what works.

Let's look at the next part of our DIY experience, which is VistaCreate. In VistaCreate, we have continued and are continuing very actively to launch new features at a very high pace to benefit our free and paid subscription customers. And again, I'm just highlighting a couple of examples. So a new video editor time line now makes editing videos in VistaCreate really easy and fast. A content publishing planner now enables customers to schedule their social media posts to Facebook. A magic brush now opens up more creative and flexible options to design with backgrounds and a design resizing tool now lets customers reformat designs with a single click. And again, there's a lot more going on than just that. For example, we're continuing to add design content to ensure VistaCreate is always up to trend and a design tool that is easy and powerful for our customers to use.

Now the obvious questions that many of you will probably have, yes, in the next couple of quarters, we will begin to open the door to bring print capabilities to VistaCreate, something that we are extremely excited about for its potential to drive cohort value and LTV and put a lot of customers into that top decile that you saw on the earlier chart.

Moving over to do it with help. We continue to grow and invest in the customer-facing superpower that is Vista's care team. In the area of do-it-with-help, our goal is to ensure that customers can receive expert help and support anywhere in their journey when they need it. And a main example of that, one of many is Studio Live Chat. Now Studio Live Chat is actually a feature that we launched about 2 years ago, but it only started to take off in Q2 last year when we successfully were able to make it easier for customers to access this capability as more and more of our markets were migrating to the new technology stack.

Since its first launch, we've helped 1.3 million customers with Studio Live. Studio Live has, since Q2 last year, evolved to become the preferred way for VistaPrint customers to receive design help, and it now accounts for more than 20% of all our peer contents, including design. When customers are helped via this feature, roughly 1/3 more customers make it from our studio through to order confirmation page compared to customers who do not use that service, and customers love it.

The Net Promoter Score for this feature is at 80. We won't stop there. You'll hear later from Basti about some really exciting new capabilities that are coming up and that we call next best action. So we will be leveraging some of the tools that our DNA teams are developing to recognize upfront what customers need most in the moment and then learn the best next action to support them with expert advice in their journey when they need it.

Let's also have a look now at DIFY, do-it-for-you. DIFY services, do-it-for-you services will allow us to serve and develop high-value customers who traditionally form only a small portion of the VistaPrint customer base. Creating bespoke designs and bringing these designs to life across multiple formats, print, websites, social media, represents a huge opportunity for us.

In FY '23, we will focus on executing the test-and-learn agenda that will allow us to establish the proof points for these value creation hypothesis. And I can't stress enough how central 99designs by Vista is to this capability. Since the acquisition of 99designs by Vista, we've made significant technology investments in componentizing our DIFY design services. And with migration complete, we can now start the test and learn journey. For example, and you see it on this page, we just launched a fixed price DIFY service for standup pouches. Standup pouches are a somewhat more



complex product to design. So that puts us right into the upper left quadrant of the matrix that you heard from Sean about in his presentation. And we're excited to see the results in how we can make these DIFY services more accessible to customers so we can provide some real value as they start to design for these more complex products for their -- to drive their own business and to drive core value.

Many more iterations will be needed to make this experience and others fluid, but the work and the real life testing on the VistaPrint website has finally started and the price will be significant.

I would now like to take a moment to talk to you about LogoMaker. So LogoMaker is a DIY tool that we introduced very recently. And thanks to algorithmic design, it allows customers to create a really compelling logo within minutes, and you can see that happening here. So what a customer just did is they entered their business name. They entered what the business is about, they've just selected a couple of design options in BAM, LogoMaker suggests a logo to them that represents their business doesn't only stop there. Just a few clicks away as you can see here, it also projects that logo on a broad range of products that they then are able to buy. And again, this is all the early stages. We certainly don't want to start by suggesting products. Think of this suggesting what this could look like on a website, what this could look like in a social posts, et cetera, et cetera.

Really what LogoMaker hits at is our opportunity to form a partnership with small businesses early, early on in their business journey when they create an identity for their business. And the earlier we can form this partnership, the longer our relationship with customers can last and the more value we can generate over our customers' lifetime but also for our customers.

Once a customer trusts us with their logo, I don't think it's hard to imagine that it is then possible to put this logo on to anything and open a very, very long stream of monetization options. Think about the logo on our website through our Wix's partnership. Think about our social media post through VistaCreate. Think about a physical product and how that can be monetized through VistaPrint.

The number of logos created and downloaded through LogoMaker are up 5x over the last 5 months and surpassed 10,000 in August alone. Customers are rating the product above 6 on a scale of 7. I am very confident we have a long runway ahead in growing this product. But it's not just about LogoMaker. I think for LogoMaker does really -- and I want to make sure you're all aware of this, it illustrates how our full spectrum design strategy allows us to open up a huge acquisition funnel by giving myriads of small businesses access to great DIY design tools, and then convert a certain percent of those customers to print to websites or other services.

So while we acquire a myriad of small businesses, at the upper end of that market segment, we will be able to serve a small number of customers with very, very high value DIFY design. More than 50,000 freelance designers already stand ready through our 99designs' network and our in-house care staff to add that special touch to a customer's logo or create a bespoke logo based on the customers' specific ideas or dreams.

So with full spectrum design, we improve the chances that we can serve a broader set of customer needs and support customers as they grow or when they have more complex needs, thereby capturing a larger share of their wallet.

So let me wrap this up. We made significant investments into full spectrum design and are at an exciting point in our journey. Thanks to platform migration complete, we can now truly start creating experiences and confirm through real-life experimentation, the value creation opportunity that's in front of us. That will be our key focus in FY '23 and FY '24. And we have the potential to open up a long decade -- decade long runway of growth.

Customers who've used design services in the past double their probability of ending up in our top decile. The financial value of successfully scaling up our offering across the spectrum is significant, and therefore, we are very excited to move forward in these areas in FY '23.

And now I'll turn things over to Emily to begin our review of what we're doing to improve our site experience. Thank you.

**Emily Whittaker** - *Cimpres plc - EVP, Commerce & Country Groups, Vista*

Thank you, Florian. Well, that's incredible stuff. It's wonderful to be here today. I am Emily Whittaker, EVP of Commerce at Vista. And today, I'm going to cover some exciting things we're doing across Vista to improve our overall site and product category experiences before turning it over to Basti and Michael.

So as Sean had set up, one thing has never been more true. We have a giant opportunity to improve our customer experience and change the way we serve small businesses. That's not to say we're in a bad position today. But as Maarten and Robert both highlighted, for the last 3 years, we've been replatforming largely choosing to forego customer experience improvements in favor of accelerating our platform migration. So we are more than ready to reverse that trend. And today, I'll share with you how we're using experimentation to build best practice e-commerce capabilities. Basti will jump in to cover omni-channel personalization powering different customer journeys, and Michael will join to review product and service category improvements as well as cover new product introduction.

So I mentioned the new platform is an enabler for delivering results, but another equally important enabler is a culture of experimentation. Through investments across Vista, we've developed the tools. We have the teams in place to accelerate experimentation that we need in order to drive customer and financial value. It's early, but it's working. The number of experiments is increasing. Just in Q4 last year alone, we counted a total of 160 experiments running across all of Vista. If we do this right, this will increase exponentially over time as more team members learn how to run good experiments and leverage the playbook, the training, the tools and the experimentation ambassadors that are all over Vista. These experiments will help us iterate our way to massive improvements for our customers.

So today, I'd like to cover a few experiments we currently have running to both improve our experience and to iterate our way to developing best commerce site capabilities. Today's examples include new functionality like search, the early start of our path to offering guided solutions, simplifying the Vista account dashboard and a focused experiment on simplified checkout for reorders.

The examples I'm going through today are in flight, and I cannot underscore enough these are just the beginning. We're going well beyond this. To reach our ambition of expert design and marketing partnership for our customers, we need to have experiences that build our credibility as experts. So FY '23 will focus on delivering improvements to the site, amplified with our incredible data products and our expanded customer value proposition that Florian just covered. So first, let's talk about our home page. Arguably, one of our most important pieces of merchandising real estate. Here, we've been testing changes based on customer feedback.

Our homepage for new customers or those customers who are not logged in is on the left. It includes some product tiles and banners that call out how customers can market themselves. But we know we can do better. So on the right, we're testing a redesigned version of that same non-logged-in user experience, where there are more tiles that dramatically increase the opportunity to delight our customers and offer an enhanced set of products. Further, it affords us the possibility that as we learn about them and what their interests are can be much more personalized, affording an exponential more amount of merchandising real estate.

The goal here is to help our customers easily get from the homepage to where they need to go as effectively and efficiently as possible. It's also about filling our conversion funnel. The fewer people who drop out because they can't find what they're looking for, the more value we are able to deliver not only to that customer but to Vista as well.

The next is search. It's a fundamental or table stakes e-commerce requirement. And it is absolutely crazy to think about how for years we were not able to make a step-function improvement because we were limited on our old monolithic architecture. But with a new platform and its microservices-based architecture, improving search as possible. In fact, we were able to build this massive hole within just a few months of launching new platform by integrating our own machine learning model with a third-party tool that we use to power the search capability itself.

The impact has been significant. And this is one area where I can't be clear enough. We are just getting started. Basti will also talk about how the personalization capabilities will make a game-changing improvement to help customers find what they need, making it even faster and more relevant for them.

Next, we're widely trying to start to experiment on how to bring this all together. We have amazing capabilities that Florian just showed, but how do we start to get to know our customers so that we can build towards guided solutions that get them what they need when they need it?

And so here, we're starting about how we can engage with our customers and have them tell us more about themselves. The more that we can learn about what their intentions are and where they're headed and what they need as a small business, the better we can serve them. And so this is a 2-sided value proposition. We -- you learn about us -- or sorry, we learned about you, and we -- you learn about what capabilities we offer that can help small businesses like create their logo, exactly what Florian was just talking about or as we talk about building websites or any of the printed products that they need. This starts us as we understand who they are, we can start to guide them towards the solutions that they need.

And so in this experiment, and the next step, we experiment on how we're going to capture that information. What is the customer intent? And how do we discover in an easy and delightful way? What their business goals are, and how we might better serve them? Because as we get to know them, we can perfectly tailor an offering that best suits their needs. This offering can be comprehensive across all of the Vista services we offer. We offer social media, logo design, websites, traditional print or other design services, but we have to understand what they need and understand about them before we can create delightful experiences that make it easy for that customer to find what they're looking for.

And so this all culminates here. This is once we have that deeper understanding of that specific customer, we will leverage it to strengthen our ability to make dynamic and more personalized recommendations across print, digital and design that Florian discovered especially, that make it easier for small businesses to get started with the product and services that are right for them. We launched an initial experiment in Canada this past August, so the journey has begun.

In this test, we'll learn by engaging with a small percent of customers. And with these customers, we're learning what information to collect, how to collect it, and what's the best way to present the recommendations we form by using it. We'll hone our personalization algorithms and iterate on the user experience that is simple and delightful to use. But most importantly, we want to be actually helpful to the customer. And once we have these learnings down, a pattern will emerge, and we'll be able to roll this out broadly across all of our markets.

This is exciting stuff that we weren't able to do easily on the old platform. So it's amazing to start -- to get started on this. We know that this will yield incredibly rich data, which will only help us turn around and serve our customers even better.

Next, we're experimenting on how to just improve some of the simple experiences. Here is the -- an opportunity for us to change the ease and visibility of the reorder and replenishment experience. We know that even a small improvement in reorder rate will bring huge financial benefit. So with these changes, we strive to make this process even more intuitive, making buying it again super simple, fast and easy.

And the last one for me, another area where our teams are experimenting is in the account dashboards. We are similar to the other improvements are just about making that experience easier and more convenient. We want a Vista account holder to be able to access anything that they need quickly and easily. And as the Vista value proposition expands across digital and design services, this account dashboard will need to ensure that the customer has one place where they can manage their Vista tools and services.

Now it is my honor to turn things over to Basti to talk about omnichannel personalization.

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**Sebastian Klapdor** - Cimpres plc - EVP & Chief Data Officer, Vista

Thank you so much, Emily. Yes. And it is my honor to share to all of you with what our cross-function teams are doing to personalize the experiences and tailor Vista's offerings to our individual customers using data and analytics. And examples for that are going to talk about our prediction of customer trades like what industries our customers are in because it's super important because it makes it very relevant to them, what we [showed with them.] And I will talk about product recommendations and also personalized promotions, which have just come live on our new platform.

So talking about our website. Like my colleagues, I'm also super excited that we've completed the migration as this now finally allows us to start putting really, really cool machine learning models into place that we've built over the last months and year.

Now -- and with that, let's jump into it. At Vista, we actually serve many, many different small business, including what you see on that page, this baker in Paris just started her new business, opened her shop in the (inaudible). So we use a lot of examples from Paris. You might guess why this is the case.

And our customers are really diverse and (inaudible) their experiences using this term. For that, we need 2 things: an audience specific engagement strategy, so a strategy for bakers, what is relevant product services for bakers. And on top of that, one-on-one personalized interactions. So for that newly founded baker in Paris. So that when she comes to our site, she's seeing a personalized experience tailored to her and to her needs. So obviously, there's a huge difference between, "hey baker, let me show you how Vista can help you to grow your newly (inaudible) bakery through paper goods, to store decors through online ordering, which is super important and nowadays design logo, a corporate identity packaging labels." And that's way better in my view than, "Hey, site user. Great that you find your way to Vista, and we offer a myriad of different products to help small businesses across all the industries and grow their businesses." Yes, so which one would you prefer?

Now -- therefore, our personalization strategy really relies on collecting rich data from customers' actions, including also nonbuying customers and visitors to better understand what they need and what they want. And also to understand what they don't even know they need it or they want to tell so that we can ultimately serve them better -- that we can serve them better on each and every individual interaction with them and thus, form super strong relationship and be their marketing and design partner. So -- and we've got to use data for that.

Now to tailor experiences like that, data should be like water. But often, actually, it's compared to oil. And I think actually, water is a much better analogy and why is that? Because oil is very hard to extract. It's complicated to transport. It's expensive to store and also most importantly, oil can be pretty badly if you use it in a wrong way.

Water, however, should be, I'm saying, should be, as the market size is good on this planet that flows by the gallon. It is easy to transport, it is easy to store, and it is easy to access. It's the basis of all of the life we have here on (inaudible) And similarly, at Vista, we want data to be the basis for the innovation of how we serve our customers. And with regards to everything we do with data, and Sean talked about how we drove up the efficiency of our ad spend. Florian talked about how we detect when customers need help or in the future will detect when customers need help and do it on creating their designs. Whenever we do that, things solving business problems with data, we take a really value-based focus to drive impact from data for you, our shareholders as well as our customers.

We always start to do that. We always start with the business problem first, then size the opportunity behind it, which we then call value pool. Then we can ramp up small, nimble, end-to-end teams. We call them data product teams that can [embark] against these value puts. And they are building data products.

And then jointly with our colleagues from finance to Sean's team on a quarterly basis, we check-in with each of these teams and see how much value, how much financial value have they driven into the bank. And we do that using pretty rigor measurement, for example, [AB] test. And so with that, we really ensure that we are contributing with data analytics and machine learning to solving Vista's most important (inaudible) our highest value opportunities. And obviously, and all of that in compliance with global data privacy regulations and super strict data security practices and a strong culture around that.

Now to make all of that happen, besides building a new website platform, we also re-platformed and rebuilt the entire data analytics and machine learning stack. And the new stack we are using consists of best-in-class Cloud technology, we also really hired awesome talents from many kind of tech-led and data-first companies, and we changed our operating model in data to using a data measured approach. And I do not bore you with details on that, you can go to my LinkedIn page, learn more about that. But in the end, it means we are having architecture that allows us to ramp up many data product teams in parallel to deliver against these value pools.

Now one important thing is also that we don't want only the data folks at Vista, and the analytics force work with data. We want to work everyone and enable empower everyone to work with data. Therefore, also one big part of our mission is to democratize data so that every team in Vista is doing changes to the customer experiences, can run experiments to then determine, "Hey, was this a good change? Or was this not a good change?" Emily talked a lot about that, how we constantly drive up more and more experiments. So that now -- that's kind of the deep dive on data here.

Now back to personalization. How does this now look like an action? Here is an example for a data-driven personalization capability, which is now already fully deployed and live in production on the new platform, which is live in all of our countries. That excites me a lot.

So on our new website, we have personalization digits across the entire customer journey. So -- and I'll talk you through 2 examples. When a user lands on our page, look at the left-hand side of the chart. And the user and the customer is in the selection phase. We support the customer with tailored recommendations on the home page based on their behavior. Even if you do not know -- even if it's an unidentified traffic and the customer has not logged in, and if the first interactions, clicks harbors -- already tell us a lot actually what that customer might want to have. We also do show recommendations on the search result pages that help customers to come up with more relevant products.

What we also going to do is in the future, Emily talked about such, our version 1 of the new searches life that drove down the 0 results, searches now version 2, we are currently working on, which will change the order -- the rank order of the search results by individual customers, by their preference and by the data we know of the customers so that makes the search results even more relevant for individual customers.

Now next stage in the journey when a customer is then configuring their products, we show them personalized recommendations for accessories, for example, that go well hand-in-hand with the products. On the product pages itself when they browse for the products, we show further-related products that are also of interest for the customers.

So overall, these capabilities are really only a first step to help our customers find what they need on our site. There's so much more we can do to really further hyper-personalize on our experience. So don't get us wrong. We don't feel kind of we're already there. Our site feels perfectly personalized, not at all. But this is the first step of a value job that is now live and delivered on the platform. But also, I want you to take away that even that first step already drives huge, huge, huge values in terms of financials.

So just after a few months, we have now the platform live into countries. These personalization, which is drive over 5% of our global site bookings or global site revenues. And that's obviously an incremental double-digit USD 1 million profit number every year. And through improving that model further, so making the recommendations better, we expect that share to go up again in FY '23. Again, the first start -- first step, there's way more to do.

And let me now talk about kind of the next level change in personalization, we are building up a next best action ecosystem. In that next best action ecosystem, I'm also -- you can see already getting excited about it. It uses reinforcement learning, which is a pretty modern machine learning technique of past transactions and actions on -- of customers to learn what the next best action for an individual customer is. And this model learns and gets better, driving great outcomes over time. And on the right-hand side, you see kind of a conceptual model of that.

What we do is we constantly assess the state of the customers along several dimensions. And for example, here in this example, one dimension is -- one signal, we are not getting on customers, this customer -- specific customer is likely to replenish sheet stickers that she has bought before. Now then, what the model is to do? Selecting and picking the right action from a set from a library, you see on the right-hand side of actions of treatments that are in there. And these treatments consist of content, a product, timing on which channel. So it's not just a product and not an offer, but it basically has many different dimension that kind of action. And in this case, the model would ideally, hopefully, comes up with -- in our example, for sure does, yes, come up with the sheet sticker replenishment e-mail to that specific customer.

Now, and by doing that constantly and then learning how the customers interact and react on to these treatments, the model learns and get smarter every time.

So now let's look at 2 examples of that, how we are starting, how we're just starting to put that into real life on our new platform. So this is about atomic content. Now we've seen experiments, and I talked last Investor Day -- last year's Investor Day about it, that customers are more likely to respond to content from their respective industries, which is pretty logical.

Now in next best action. Now, this next-best action ecosystem helps us to make that matching of customer and content happen. What you now see on the screen is an e-mail test that we ran in February of this year of industry product tiles using the product recommendations model. So on the left-hand side, you see a generic version of an e-mail that we've sent. And on the right-hand side, we've modified the e-mail to show

industry-specific content. And in this specific instance, it's from building and construction industries. And these versions on the right-hand side that we sent around for 5 of our biggest industries, they led to a 20% higher customer engagement.

Now with the start of FY '23, so just recently, we went now from one e-mail we sent out to our entire customer base to 9 different versions of an e-mail that are in that library by -- where we differentiate by life cycle stage, so for example, the recently signed up customer in 5 different industries. So 9 times 5, we now have up to 45 different versions of e-mails, we can send or treatments we can send in our library. And this test is currently ongoing. It's called -- that's an explorer test happening to kind of make that learning, that reinforcement learning model, fuel that with data and start optimizing over time. But -- and here comes the big but, currently, all of these 45 different versions in our library are manually created, and you can imagine it takes time to create 45 different versions by industry, and by -- and then multiplied it with the countries we are in. So that's a big, big, big scale challenge.

So what we, therefore, need to do is starting to build a content engine, an atomic content capability that helps us to generate these tiles, you see on the right-hand side, in -- basically in an automated fashion. And that combines them product pictures, the content and the specific content you see on the product. It's an industry specific, but it also combines the other attributes, for example, like gallery designs, text copy, products, locals, industry color, styles and all of these things.

So we really doubled down on that automation this year, and we'll do it also again in a step-wise approach where we proved the value early on and then keep investing into it to further scale it up, but I believe there's -- we all believe there's a big, big, big value to that.

So let me jump to another use case of our Next-Best-Action ecosystem, which is qualified customer offers. So that's another recently introduced functionality on our new platform, and that can now basically select customer specific deals and offers to incentivize specific customers to buy a certain product or service.

So in this example, what you see is basically that we are running and we're sending loyal consumer customers. So that's the test group on the right-hand side and offer and you see that in the blue -- and the blue banner on top of that -- and to incentivize these loyal customers, so far only bought Christmas or a holiday -- basically shop during the holiday season. And now what we want to do is incentivize and start kind of trying, can we also make them to shop a second consumer use case, for example, in this case, back to school. So we incentivize them with the free shipping offers, only these customers were getting.

And we also specifically mentioned that, customers do not need to log into that. They can directly log into the platform. They don't need to have a certain discount or coupon code for that, but we make very clear kind of -- that this only is valid for that customer. Not everyone is getting that. Again, this is a big, big, big step for us to get away from that. discounting, the same discount for the same product for all of the customers at the same point in time to be way more differentiated in using elasticities to and responsiveness to certain discounts. And this is also a great vehicle to drive cross-category shopping.

Another campaign we are currently testing right away now is, for example, driving new customers in the North America that have not shopped with us ever before, and they also get a specific offer for onetime -- basically onetime discount.

Now, to wrap it up, our personalization journey is really kind of continuing and picking up speed to make individual customers happy in a scalable and data-driven way. And therefore, we are steadily building up our AI and machine learning capabilities and our cross-functional teams we've embedded throughout Vista to drive the next [wave] of personalization.

And in this spirit, I'm super looking forward to jointly with the respective teams of Vista to drive more value from our customer cohort through making search results specific, making the rankings better on customer level, extending the search also to include designs, further tuning product records, having way more content for NBA for next best actions through our atomic content automation and getting next best action from e-mail to work across all of our channels, including also customer care. So all of this and many more will then help us to tell our journey, not only for that baker in Paris, but for all small business owners we strive to serve as their marketing and design partner. The new platform will let us do all of that.

And now let me turn it over to Michael to talk about new product introduction and product category experience.



**Michael Fries** *Cimpres plc - SVP Physical Product, Vista*

Yes. Thank you, Basti. Amazing to see all our progress in the data-driven experiences.

I'm Michael Fries, SVP physical product at Vista, and I'm very excited to be here today. This is my first Cimpres Investor Day since joining Vista executive team in April. My background is in the online photo and upload and print space, and I'm excited to work with our talented teams in manufacturing, category management, product management and the whole Vista and Cimpres team.

Category experience touches at the very heart of what Vista and specifically Vistaprint is famous for. Improving the overall category experience is a major lever to pull to enable us back to our historic levels of profitability. Category experience is about examining every touch point in the buying journey and challenging our thinking. How does this help the customer? Is that what the customer really need? And how can we make this better still for our customers? If you want our customers to find the right product to fall in love with them online to be delighted when they receive them, category experience is about making incremental as well as major improvements to that end-to-end experience and also creating great experience with the actual product and its delivery.

We expect to grow across all physical product categories. and we have multiple levers to do this, both through new product introduction as well as through incremental improvements that have served us well over the years, leading to increased per customer economics and customer happiness as Robert and Sean talked about earlier.

By new product introduction, we are working to broaden the existing product assortment so that every customer finds the product they need. This is aided by our recent site migrations. It accelerates and facilitates the new product introduction processes in my teams.

In Signage, you see, for example, a lot of products that we offer up to now only in predefined sizes, enabling more flexibility for rigid signs and banners will create a lot of added opportunity. We support this flexibility with growing design content that is created by leveraging talent, machine learning and AI to scale up.

In the packaging domain, you see a whole new product world growing, containing products like boxes, pouches, adhesive tape, paper bags and much more. So a whole new world is growing there and is created by us.

Across all our product categories, new product introduction should yield multimillion dollar profit improvements in the first half of FY '23 and continue growing from there.

So why do we see such a lot of potential in new product introduction? Let me give you an example. Promotional products have previously been a separate experience. After migrating to our new platform, we were able to integrate promotional products in our main website just by exposing these products to our customers we unleashed substantial growth. In FY '22, growth of bookings in this category was 28%, and that growth rate has even accelerated further in Q1.

Being part of Cimpres, we are also making use of the network of sister companies and create great benefit by insourcing products to our sister companies. For example, we recently saw a [17% point] increase to product gross margin by shifting our roll label production in Europe from a third-party supplier to one of our Upload and Print businesses.

And Cimpres gets additional benefit from this as well. Because the reach of that product is expanded, driving higher volumes and scale in our factories and thus even more profit potential for Cimpres, also launching new products that are available from our sister companies via the mass customization platform, we have an even faster product launch process.

But don't count out continued growth in well-established product categories. Business cards, for example, are nearing their pre-pandemic [BGP] levels, and we expect them to continue to grow beyond those levels in the future. The customer need remains as the data in the center of the page shows. Near term, customer purchase intent remains high.



The use cases are shifting and driving the uptake of premium finishes and options like foil and [boss gloss] or painted edge cards. Also more sustainable actions are growing, like cards made from bamboo, hemp or kraft paper.

And on top of that, today, business card is also used as an integrated marketing tool, helping to funnel interest to our customers' websites with our QR code builder.

In addition to new product introduction, we are continuously improving the category experience for our customers. The site migration provided us with a solid starting point that enabled a smooth and controlled transition from our old site. Now we are improving the experience and thus, the conversion rate step by step based on experimentation in a data-driven way. We are optimizing category funnel product presentation, detailed pages and upselling options in parallel, making our products easier to find, easier to understand and easier to order. Many small improvements to the category experience in each of these places can yield millions of dollars of optimizations in FY '23 and beyond.

With premium upsells, we are also driving more long-term value as we see premium customers with higher repeat rates and higher satisfaction, which ultimately means higher customer lifetime value.

All of the work we are doing is with a mobile-first approach. Our mobile experience is solid, but only a starting point with some room for improvement.

Last but not least, for card conversion, we are looking to increase the (inaudible) which, again, if we move this only a small amount would still drive major financial benefit.

Though we are leaders in mass customized production and scale, developing our own systems and processes, we still have an opportunity to drive a multimillion dollar benefit through incremental improvements across millions of customer orders each year. These improvements apply to customer happiness as well as to our efficiency.

First, product quality and complaint rates. We know from past reductions of our customer complaint rate that we can deliver big returns. Emily said at last year's Investor Day that we were able to drive \$13 million benefit through quality improvements over the 3-year period. We're looking for similar and additional gains with further focus in that area.

Likewise, improvement to the delivery experience will benefit us. We're improving delivery speeds in packaging and are working to get from a very good to excellent in our on-time delivery. Additionally, we're rolling out a new approach to communicate shipment progress to our customers so that when exceptions happen, they know as early as possible, and we can rectify it before it hurts our customer relationship.

If we do this well, we will deliver jaw-dropping customer value in price, in quality and in on-time delivery, thus improving the loyalty of our customers and growing customer lifetime value.

And finally, we will continue our constant COGS optimization through process and technology optimizations, continued partnership with the Cimpres central procurement team, continue focus on scrap and waste reduction and finding the optimal balance between insourcing and outsourcing for different production processes.

Historically, we have been able to drive improvements as we scale. Our CapEx as a percent of revenue is low in Vista, aided by our efficient production processes and access to capacity at sister businesses. While we do expect to make CapEx investments in FY '23 to support our growth and efficiency gains, we expect to maintain the CapEx efficiency as a percentage of revenue that we have been able to deliver in recent years.

In summary, we have many exciting opportunities to improve the customer experience through focused execution in FY '23.

In the next presentation, Ricky will now describe how we have been evolving our marketing and advertising to communicate to customers about all of the great value that the whole team have described today.

**Ricky Engelberg** - *Cimpres plc - EVP & Chief Marketing Officer, Vista*

Thank you very much, Michael. Hello, everyone. I'm Ricky Engelberg. CMO here at Vista. And I'm very excited to be here today to talk on full funnel marketing and advertising experimentation. As you've seen by everyone that went performing, we have a lot of very exciting things in the works from a product and service standpoint. In the last 3 years, while migration has been going on, we've been investing in building out our marketing operating system, and we're making major strides in our way to transforming the being the design and marketing partner for every small business. So let's regroup ourselves in a challenge. This is the reconsideration bridge.

I often talk about this analogy. We as Vistaprint are the top of the left mountain, very well liked by people, very good prompted awareness, Same is for printing business cards. Unfortunately, there's a downside to that fame. It sometimes shuts people down to hearing the other things they can offer to truly help small businesses. That's where the reconsideration bridge comes in. The Navy Blue Mountain is Vista, being famous as a design and marketing partner for a small business. That's where we want to get to.

Our job is twofold, move as many existing customers across that bridge that start to serve more other needs. I think this is helping them with their merch promotional products or updating their website.

The other route to see all those people at the bottom of the Navy Mountain, they're new small businesses or even future small businesses. They need a logo or website, social business cards, T-shirts. All those things everyone has share today, they are a blank site. And most of them don't have preconceived notions of Vistaprint. Our job is to help them discover Vista for everything that we can offer.

Our challenge with moving these customers over is that in the last 3.5 years, we've been incredibly focused on lower funnel marketing. It's the bulk of our marketing spend with the largest chunk going to paid search, nonbranded. We also do a healthy amount of investment in retargeting as on Facebook, Instagram or (inaudible). But basically, we spend most of our money on people that have a specific print product need, try to capture our customers close to the moment of purchase as possible.

The way we can look at it is we are trying to introduce ourselves to potentially new customers in one of the most competitive spaces on the Internet, paid search, nonbranded. Someone searches for print a banner and gets a bunch of search and results back. We have 138 characters to convince them to choose us often at a point they are very price and time-sensitive shopper.

If they come to our site and don't convert at that first attempt, we'll try to get them through retargeting ads focused on that product or similar.

But what we aspire to do is win before search or win during search. We need to become the brand of choice for small businesses. We need to increase our brand salience and our mental availability, and we need to improve our brand attributes like brand crowd to use a brand that helps them with design. Vista needs to become the first choice when someone thinks of design and marketing for a small business.

As Sean talked about earlier, we have greatly increased our efficiency on page search nonbrand. It was going to be a core part of our office for many years ahead, but we want to grow our customer ways and accelerate our transformation of its design and marketing partner for small business, we're going to have to accelerate our investing in full funnel marketing and advertising.

So when we talk about full funnel marketing, there's a few things we want to be able to talk about. First, it really goes through the 3 components, upper funnel, mid-funnel, lower funnel. Upper is the broadest communication. It drives large effect, but oftentimes is the slowest payback.

Mid is about consideration. It's where great product and solutions and marketing can come in. It's about content marketing, prospecting media on YouTube or Instagram.

Lower funnel is the moment of truth, someone searching they're retargeting, like I said earlier, it's quick payback, but it's not really a place you want to go to the change perception of a company.

Number two, full funnel marketing is not just about customers in the next 3 months, but it's building a pipeline of customers for the future. End market, near market and future market. We obviously want to win today, but every piece of communication or connection is asked about carving mental availability and meaning for future small business owners as well.

And lastly, the funnel makes it look so linear, but the reality is most marketing is a nonlinear. Someone may see a Vistaprint ad on TV at 8 p.m. on a Monday night and not have a need for 6 months. Someone else may see the same ad at the same time and have a need the next day. Both the people seeing the ad have value. It's just captured on different time lines and with different customer journeys. By building this full funnel pipeline, it gives us that opportunity to reach customers all their different life stages.

The year ahead for us is about pulling many different levers of that full funnel marketing and advertising funnel to be able to build these connections. Because most importantly, full funnel marketing is not just about paying media. It's also about marketing activities that have built it always on connection to the communities that matter.

Over the past 2 years, we have started to build a new muscle that grows to deepen our relationship from the ground up with small businesses. It allows us to elevate our SMB partners, or (inaudible) mix small feel big, let's say, SMB, small businesses. And I feel an opportunity to make them -- make that small business feel big is such a big opportunity, it creates meaningful chances for us to celebrate them and to show off to them amazing solutions, products and services we offer.

We have focused across a few different areas to develop different types of connection muscle. We focus on key cities like L.A. and Paris. We focus on iconic sports teams like the Boston Celtics and Liverpool FC, as sports is a great unifier of communities and small businesses. We focus on key communities of small business owners like new small businesses and design-centric businesses. So let's dive into a few of those things.

So the Celtics. We are 18 months in our partnership with the Boston Celtics, 2 seasons with the pandemic, the time line is a little messy as far as time has been, 2 seasons in. Within making the NBA finals this past season, it maximize their exposure. And obviously, the broad exposure is very valuable, particularly in a deep playoff run where the ratings go up and up and up. What has been equally meaningful is the deep connection to the small businesses of Boston. We partnered with almost 300 small businesses through programs like the power program created with the Celtics and NAACP, like product design and cash grants to emerge in black-owned small businesses in New England area. We did things during the playoffs like a small business swag drop.

When the Celtics succeeded, we wanted to share that success with small businesses. So during the playoffs, we did drop the Vistaprint created products, a 10 different Vista partner, small businesses through our Boston for each round. We heard feedback from small businesses. One, we part round after round (inaudible) so much business and to their doors.

Small business in the game. Each game, and you can see in this picture here, we honor a small -- we honor a different small business, giving tickets and hearing them at the game. They're on the jumbotron, sideboard media and honored at the game.

This is a really big moment for a small business. It's a moment they're going to remember forever and really build a deep partnership and advocacy that's tough to replicate.

And coming up later this month our small business celebration. We are hosting with the Celtics with all of this year's small businesses of the game winners are going to go to have a 1-day conference at the Celtics headquarters, going to share best practices, learnings and continue to be foster that deep community and help create some great content for us.

We began to see impact of this partnership. We're seeing movement across key brand metrics in the Boston area, New England area, nationally with Celtics fans and basketball fans. We're also seeing gains (inaudible) small business owners between 18 and 40, which is so important for us, new customer pipeline-wise and not something traditionally Vistaprint has won a lot of customers in. We're also now seeing Boston outperform other major markets in the U.S. from a business performance standpoint.

So -- but it's not just about Boston. So much of it was about building this new muscle to export it to other places, take those learnings and export that success. So we will take those learnings, apply them to anchor partnership in England with a truly globally iconic franchise in Liverpool FC. This partnership is only half the year end, but we have started to see positive brand movement in key attributes, the Liverpool fans that have seen our communication. 84% of them have said they would be proud to use Vista, when usually that metric is neutral for Vistaprint.

We're already really seeing to impact the notion of making small feel big. You see here as a local small business being featured on signboards in a Liverpool match broadcast around the world in partnership with Vista as a small business of the match. And the notes we see on social media and e-mails we get are really tear inducing. I mean this is a lifelong dream for people to be celebrated in Anfield and something that was so out of reach, and we make achievable for them. And so rather than me talk about it, let's watch a video that kind of highlights the video experience that these small businesses are matched to get?

(presentation)

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**Ricky Engelberg** - *Cimpres plc - EVP & Chief Marketing Officer, Vista*

It's not just about major sports franchises for connection. It's also about us connecting with small businesses around the world, every month in interesting ways. We have heard loud and clear how lonely being a small business owner can be. We put it together city guys for our small businesses often tied to things such as the owners only series we host to bring small businesses together in monthly dinners.

One of our most well-regarded programs is ReferHer, which brought together 100 new small businesses that are owned by women. ReferHer provides them with mentorship connection and community. These dinners hosted in London, Toronto and Sydney, Paris and L.A., also had a unique twist. In order to attend each owner had to invite another woman who owns small business to help expand the table.

We've heard so many positive things from the attendees of these dinners and the relationships we built are going to continue on for a long time, and the sequel to this program is already in the works. All of these things help feed into our Vista collective, which is presently around 100 small business ambassadors, who participate in many of these programs, they are constant feedback loop for us. Some of our loudest advocates and some of the (inaudible) creators, which you're going to see more of ahead. Because building this content engine is absolutely critical for us. As awesome it is to have these relationships with small businesses.

Some of the largest value comes by having these relationships turn into advocates and content sources. Building a scalable global content engine to power content marketing is a must-have capability. When we think about full funnel content marketing is a critical step for us in scaling our connection and reach to small businesses. In order for us to win before search and when during search, we need to have this great pipeline of content that highlights that Vista solution small businesses find them most valuable.

From articles at vistaprint.com, to threads on Twitter to [how-to-videos] on YouTube content marketing, we know is a critical building block. We plan to take a substantial leap forward this year content output as it's a great way to deliver support to small businesses. Small businesses have questions, and we need to provide answers.

One great example of this coming to life is our TikTok presence. There's no greater advocate for us than our happy customers. As we created Vista's presence on TikTok during this calendar year, the natural place to begin was our community.

Almost all of the content you see on our TikTok channel is created by our ambassadors. These videos playing right now on the screen are all these different case studies brought to life through our ambassadors of how to use Vista products in amazing ways. They're great acts for them, the holistic solutions, a perfect design, and it's absolutely awesome to see just the beginning on this for us and inspire such rich conversation inside TikTok. And with our small business partners over and over and over. We know TikTok, obviously a critical platform in the world, it's particularly massive for small business. I recommend people spend time with small business talk. You want to lose a couple of hours of your night.

Our ambassadors have made over 1,000 pieces of content with around 1.5 million views so far. We couldn't be more excited for the future of Vista on TikTok.

So what is that the next leap for us on this full funnel journey is full funnel advertising experimentation. Our evolution to the design and marketing partner for small business, the next step is to invest in higher impact media and higher frequency. In these 2 tests, we've been increasing our media investment on a more even balance between brand and performance and finding our right levels to be always on with moments of impact while delivering a positive ROI. These efforts are going to build the foundation to have a new customer pipeline across end market, near market and future market customers with a goal to reposition the brand. [We're going to] from business cards to print design and digital introducing them with new businesses and audiences and drive qualified traffic into Vistaprint and Vista.

So we have multiple test launching this quarter focused on increased media investment. The first one is a full funnel test in France and Australia. This campaign is going to be focused around 80% on Vistaprint and 20% on Vista.

In addition, we're going to have 4 designated marketing area tests in the U.S. in Raleigh, Seattle, Denver and Boston. The [DMA] test, as you might more commonly hear it called, really focused on understanding what happens when you increase investment in a specific city versus a parallel city that's being tracked against with a control investment. These campaigns will be 100% Vistaprint for this phase to the test with VistaPhone close behind in the next calendar year.

With both of these tests, this is about us increasing our investment significantly in these markets for a fixed amount of the time to see what the impact is. So when we look at something like the Vistaprint campaign, we print that. It's focused on expanding perception of Vistaprint to be about all of your print and embroidery needs in a very design-forward way. We'll be running TV, digital, social and out-of-home, like you see here on the left, and it's something that we want to make sure has a persisted drumbeat throughout the month that campaign is running.

So with that, I want to show you all (inaudible) take it away.

(presentation)

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**Ricky Engelberg** - *Cimpres plc - EVP & Chief Marketing Officer, Vista*

It's very exciting to see how we're able to take this transition with Vistaprint that a lot of it is taking the products we've already offered an amazing [NPIs] and Michael shared and putting in (inaudible) lens elevates everything in a way but it is so much about the solutions that small businesses need.

Next, I'm super excited to show you our first Vista campaign. This campaign is focused on introducing us to the design and marketing partner for small businesses with great solutions across print, design and digital. This campaign is going to serve as the foundation for storytelling in a creative platform that we think will live for a long time with both a mix of globally relevant small businesses and hyperlocally famous small businesses. This campaign has been a [labor level for] a lot of people around the world to bring to life and excited we'll share with you all right now. So let's take a look at 3 of the films we'll be launching with.

(presentation)

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**Ricky Engelberg** - *Cimpres plc - EVP & Chief Marketing Officer, Vista*

We're very excited with the universe that's being created, and I look forward to seeing it live -- and we look forward to seeing it live in market across TV, digital and out-of-home.

To reiterate what I said earlier, we need to win before search and win during the search. Our full funnel marketing journey has just begun. It's going to take us executing this full funnel (inaudible) brick by brick to truly see the compounded impact over the long term. Needless to say, we've made a lot of progress. I mean we're starting on this path to becoming a design and marketing partner for small businesses, but we have a long way to go. There's so much market share and look forward to another time. But an absolutely critical part of that foundation is how we will measure our

efforts. I want to pass the mike to Basti to take you through the measurement approach our teams have been collaborating on for these full funnel efforts. Take it away, Basti.

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**Sebastian Klapdor** - *Cimpres plc - EVP & Chief Data Officer, Vista*

Hey, Ricky. thanks so much. This is so amazing to see. And hey, in this period of time, we're pretty much behind and also there is probably nothing more drive than talking about measurement after all of that exciting content that Ricky has presented, I'll make it very quick and provide a brief glimpse into our efforts here. So to parallel the effort that Ricky is -- and the teams are doing on marketing and his teams are driving, we want to make sure to validate the impact of all of that on to our bottom line, and we want to do that through robust measurement.

Now for marketing performance, there is actually no single source of truth today due to multiple reasons, there are regulatory constraints on how we can track users online. They are changing dynamics in terms of browser and device defaults. For example, many browsers nowadays, they use a third-party cookies per default switched off. On iOS, you can't track any more e-mail engagement, and so this is stopped. And also, customers and consumers are more and more cautiously and aware of what's being done with their data and they don't want that. So therefore, we are combining different tools to measure marketing effectiveness and each of them has strengths and weaknesses.

So what we combine basically 3 key measurement tools. Our first, our attribution model, that's the blue -- the green line you're seeing here. This is really bottom-up measurement, very precisely tracks on what's happening in our digital channels. We also use it to optimize on a daily basis. So -- and then we combine that with the blue line, which is our top down measurement, that's the media mix model. And that's an econometric model basically that measures the ROI of our individual budgets spends per individual channels, and that helps us also to optimize it, their response curves basically on each underlying in these models that we can then use to optimize spends across the channels.

And the third yellow line, that's really experimentation. That really helps us to answer the biggest questions in being the most precise measurements that really helps to understand incrementality and causality actually to drive insights, but the thing is there, but we can't test every campaign at every point in time in all of the channels. So you can't experiment all the time, especially in the marketing field.

So what we want to do is, therefore, combine that the best of all of these 3 words. And you see kind of that basically got us pretty much covered in terms of the best practice and the best practice world, each of the dimensions will be fully covered.

So with that in place, and our attribution model and marketing mix model life FY '23, we are really putting that into test combined with experimentation, that gives us this holistic way to measure our marketing across the more diverse that Ricky is talking about. Now we're running tests already in the U.S., France and Australia, we're very confident, and we already see kind of first indicators that these tests are going in the right way. And if it continues to be positive, we will further scale up spend and tap away into that great opportunity to efficiently drive new customers into Vista.

With that, let me turn things over to Sean. Sean, bring this home.

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**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

Great. Thanks so much, Basti. So the, earlier in the section when we started the Vista section here, I talked about improvements we made in our traditional business. And I hope now, you've got a great sense for the incredible talent we have and capabilities we have that we're now able to unleash with the migration being complete, personally I'm really excited. We can now put our recent investments to work, to deliver meaningful customer outcomes and also financial returns. So now, I'll cover a few things on the -- from a financial standpoint, in Vista, including our expectations as we move forward. And some of this is a little bit detailed, I'll skip through some of it just to make up a little bit of time.

On the next slide, we oftentimes get questions about how our product mix has evolved, how our margins have evolved because of the changes that we made, including the ones I spoke about earlier, the improvements per customer economics to advertising efficiency, but also changes from the pandemic. And so let me just walk through this very quickly.

Here in the vertical columns, you can see a comparison of our variable gross profit by product category, with 2018 in dark blue and fiscal '22 in light blue. Across the top, you can see the mix of our bookings and also our variable gross margins of each category and how they've evolved over these periods.

So just 2 things to highlight. First one, Michael referred to earlier, variable gross profit from business cards and stationery, that's the largest category in the left. It's just about back to 2018 levels, and we expect that category to continue to grow from here.

Second, you can see the categories that have grown the most Signage, packaging and labels, promotional products. The recent growth in promotional products has really accelerated in part because of the integration of those products into our core site experience, and that doesn't fully show up here in this slide but has accelerated even further.

The most notable decrease is in photo and consumer merchandise category, and that's been most impacted by the reductions in our discount intensity and changes to improve advertising efficiency that I went through earlier that decreased number of customers in the lower order value brands that I showed in earlier slides.

And I'll just note, too, that the variable gross margins shown here for FY '22, don't fully capture the impact of increased costs that we experienced in the second half of last year because those margins shown are for the full year.

So now let's shift quickly to growth investments in Vista that you've heard about today. What's presented on the slide is the historical midpoint estimates of those investments in Vista that we believe aren't needed to maintain our steady-state free cash flow. And these are the things we've disclosed in our annual letter to investors.

The investments increased significantly this last year versus the prior year, up \$61 million on an adjusted EBITDA basis, up \$56 million on our free cash flow basis. And that's, of course, weighed heavily on our profitability and cash flows. The categories that are outlined here have varying levels of judgment required in terms of how we classify them, whether the growth or maintenance and then also how we quantify them, but then these investments also have varying time horizons over which we expect them to pay back. So let me just walk through that quickly in each of those dimensions.

Investment like post acquisition spend in VistaCreate, 99designs by Vista or on a smaller scale, things like growth CapEx for new product introduction are relatively discrete, and we can clearly label those as growth investments.

Lifetime value-based advertising is also relatively discrete for fiscal '22, almost, there is almost no performance advertising assumed in here. And so this is mostly the net investment in mid- and upper funnel spend but especially that spend that's focused on brand evolution, marketing partnerships with the Celtics and other organizations, agency spend, similar areas, some of which Ricky just went through. To me, this is clearly growth investment as well.

And then lastly is the large category of product development and marketing, and that's admittedly a broad category, but it encompasses parts of product development teams that include UX product, technology, data and also marketing teams that combined are working on category experiences, new e-commerce capabilities, personalization that Basti talked about, parts of our design and service capabilities and other areas, all of which you've heard about today. And we have to make judgments there about the portion of these teams. That's for growth and for maintenance, and we believe we've made reasonable assumptions there. The majority of the spend in these areas is assumed to be for maintenance.

Next is the dimension of how long it takes the payback. And we have a clear set of financial and operational objectives that we're executing on this year. We've prioritized those according to the financial benefit and time frame for delivery. There's a range amongst these categories with new product introduction, things like best practice e-commerce capabilities, our personalization efforts that are nearest in terms of delivering meaningful value gains starting in FY '23.

Now we expect investments in LTV-based advertising to be a multi-journey -- multiyear journey to payback. But of course, they'll start to impact growth and customer acquisition in FY '23 based on the full funnel spend experimentation that Ricky just outlined.



And finally, our investments in VistaCreate and 99designs will take multiple years to really show up from an overall returns perspective as those get more and more integrated into our customer offering.

So to be very clear, fiscal '23 that we're now in is not a year characterized by increased investment. As Robert said in his introduction, it's a year characterized by focused execution within constraints that we've set for ourselves in our budget process to deliver on proof points for progress that leverage the significant past investments that are shown on this slide.

And you recall that in Q3 of last year, we slowed the pace of hiring in Q4. There was also minimal incremental investment. So that continues. Now it's about the proof points. So finally, I want to share some thoughts on expectations for Vista's profitability that build upon the remarks that were made in our annual investor letter. There's a little bit of detail here, but I think it's necessary. I'm going to use margin as the lens -- margin is not our goal. We're focused on growing returns on invested capital and margins and outcome of that, but we think it's relevant framing for investors, given the extent of change and also the extent of investment we've made over recent years and then also some of the questions we've received.

So I'm going to walk down some comparison of metrics working down the P&L comparing fiscal '22 versus fiscal '18, the year before we started the Vista transformation journey. Starting with constant currency revenue growth. Before I walk down each of the margin categories last year, our constant currency growth was 5%, down from 9% in fiscal 2018. There are a lot of impacts there. Cutting out inefficient ad spend over recent years, the focus on and the impact of the technology migration this last year with very limited experience improvement and new product introduction and, of course, the lingering impact of the pandemic.

But looking forward, we expect that the recent investments we've been making, and you've heard about today, will accelerate constant currency revenue growth now that we're through the migration, and we expect to sustain those higher rates of growth compared to fiscal '22 growth rates for the next several years. In fiscal '23, that's expected to be aided by price improvements, which we expect to deliver an increase in revenue of at least \$20 million just on the pricing side.

For gross margin, as I went through on the prior slide, we've made some changes in the product mix due to our changes in advertising and pricing, but also because of the pandemic. In total, that's been dilutive to gross margins compared to fiscal '18 about 300 basis points. That also includes the impact of 99designs and VistaCreate in the margin mix.

Per customer economics have improved, we went through that before. But in fiscal '22, cost inflation did weigh on gross margins. We previously disclosed that the net impact of cost inflation on our cost of goods sold was approximately \$29 million in the second half of last year. We're often asked why we didn't offset that with increased pricing like we did in some of our other businesses or most of our other businesses. That did coincide with the site migrations in our largest markets in February through May.

So in June, we started testing a broad-based price increases for multiple markets and product lines. We've now more fully rolled that out. We expect that to help, but not fully offset increased input costs in the first half of this fiscal year, and that's in line with our commentary in our recent earnings call. And therefore, gross margins are going to remain impacted as they were in the second half of last year.

Looking forward, as we introduce new products and services, including in the design area, that's likely to be margin dilutive, but with higher lifetime values like in promotional products and digital. Overall, we expect gross margins to get back to full year fiscal '22 levels over the next years, including from improved pricing.

For advertising spend as a percentage of revenue, we've got leverage here of about 500 basis points through the data-driven improvements that both I and Basti talked about earlier. And while we expect to have quarterly fluctuations depending on the intensity of mid- and upper funnel spend in a given period, including from what Ricky just went through, we expect that the full year ad spend as a percentage of revenue will be similar to FY '22 levels with an opportunity for further leverage in future years.

For operating expense, this has increased significantly with the growth investments I just outlined. Through the first half of fiscal '23, we're still going to be annualizing the higher investment levels from last year. But then expect OpEx to start to decline as a percentage of revenue relative to FY '22 levels with revenue growing faster than our OpEx base while we start to deliver returns on the investments we've been making. We've

constrained our OpEx in fiscal '23, and we made cost reductions that we disclosed in July to offset some of the inflationary costs such as annual compensation increases. So in short, we're focused on delivering significant growth in our contribution profit while keeping our current OpEx levels constrained.

From an EBITDA margin perspective, as we mentioned in our Q4 earnings document and call, the first half of FY '23 is going to be pressured by that exit rate of cost inflation that accelerated in the back half of last year, also our higher investment levels exiting last year that I just mentioned. We expect this to start to improve in the second half of the year. And then in each of fiscal '24 and fiscal '25, we expect significant margin expansion as revenue growth outpaces growth in OpEx leading to EBITDA in absolute terms that exceeds historical highs and then grows beyond those levels.

Finally, our CapEx as a percentage of revenue has been highly efficient. We expect that to continue in that kind of 1% to 2% of revenue range while we continue to leverage the Cimpres network.

So with that, I will turn it back over to you, Robert.

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**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO, Cimpres & Vista*

Okay. Thank you, everyone. We are behind time, as we've said. So I hope that today you simply felt the collective passion for the value that Vista can deliver to our small business customers and our deep alignment around the Vista strategy. We've made major investments in the foundational building blocks that we've presented today because just as the world around us has changed, we are committed to evolving and expanding how Vista delivers jaw-dropping customer value. We are in the starting blocks of what we think is going to be a very exciting multiyear period of continuous improvement to the customer value, period of growth and a period of a return to the historically strong margins that Vista has had in the past. So in summary, Vista is very much ready to run.

And with that, I'd like to turn the call back to you, Meredith.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Great. Thank you, Robert. So at this point, in the event, we are going to have a very short break, 5 minutes. I'll tell you before you go to break, we are going to extend to 11:30. If you can extend to 11:30, we're definitely going to be here to answer your questions. We've got one more presentation before that Q&A session happens. That's Sean's capital allocation presentation. So we will see you back here in 5 minutes.

(Break)

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

We are going to immediately turn things over to Sean, if you can unmute yourself and turn your camera on.

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**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

Great. Thanks so much, Meredith. Hopefully, you were able to get a quick break there. So hello again. In this section here, this is our last section before Q&A. I'm going to cover a few things. Mostly focused around capital allocation and capital structure and then also provide any commentary from a financial perspective about FY '23 and beyond. I'm going to go -- there are a number of slides in here that I think are helpful just so -- especially for newer folks that you have them but it's a lot of information we've already disclosed.

And so I'm going to actually skip through those, but they'll be in the published materials and go to Slide 137 (sic) [Slide 134] and just spend a minute or 2 on our steady-state free cash flow. We disclosed this almost every year in our annual letter to investors. And it's a really important determiner

of how we are progressing from a financial perspective, but also how we think about the value of the business from a per share perspective. And so I want to spend a moment here.

On the slide, you can see our steady-state free cash flow calculation. Again, it's an annual estimate of the range of our unlevered free cash flow that we would have delivered if we had not invested for growth beyond our steady state. The difference between our actual unlevered free cash flow and the estimates of steady-state free cash flow represent an approximate range estimate of the capital that we allocate to organic investments to grow our businesses beyond steady state or those that were not needed to maintain our steady state.

For the last 2, 2 years, we haven't published publicly our steady-state free cash flow estimates because the pandemic driven conditions made it really difficult to estimate what our underlying unlevered free cash flow would be in a normal time. And that's, of course, a really critical assumption to this calculation.

As you can see on the chart, our calculation for our approximate estimate of that range of steady-state free cash flow for fiscal '22 is between \$363 million and \$393 million. Again, that's as we disclosed it in our annual letter. There are a lot of aspects of our current environment that, of course, remain far from normal or predictable or steady state, whether it's cost inflation, the pandemic, supply chain reliability, currency rates and the likes. But we provided this estimate along with the detail about the way we made that estimate so that you can make your own assessment of this number, and you can see more information about that in our annual letter to investors.

On the next slide, you can see a chart that just shows the trend of our steady-state free cash flow over time. We believe and we said this in the letter as well, that our businesses other than Vista have grown their steady-state free cash flow over the past several years. That's been more than offset by changes in Vista's steady state for cash flow, which is lower today than it was leading into the pandemic, including because of the impact of cost inflation before assuming any future price improvements. We believe Vista can return to a steady state in line with our previous estimates, but we do think that will take a few years.

Most of our current growth investment is in Vista. And if you're watching this out of order, I went through that in the Vista section where I talked through the Vista growth investments and some of the assumptions that we made in determining them. So that's a bit on steady-state free cash flow.

Let me skip now to Slide 141 (sic) [Slide 138]. And we have a few slides in here that talk about our history of returns from an M&A perspective. M&A is, as Robert mentioned this before, it's not a focus right now in terms of anything large. We're -- we are the consolidator of choice though in our market. And so we do believe that this remains a long-term avenue for potential capital deployment with high returns, leveraging our unique advantages. I'm not going to go through this in detail, but when you have a chance to just absorb what's on the slide, I think you'll see some pretty impressive results including from our Upload and Print businesses.

And maybe just a moment there, you can see our Upload and Print businesses have more than doubled their revenue from the sum of their pre-acquisition revenue base. And they've nearly doubled their EBITDA. That collection of businesses, and Paolo talked about those earlier, had delivered a cumulative EBITDA in excess of the total consideration for those businesses. And that's with a high number free cash flow conversion and strong runway for continued growth. We use EBITDA here as a shortcut because we didn't have unlevered free cash flow tracked separately by business in some of the earlier years.

Obviously, those are strong returns. These are the businesses that we've also owned for the longest, so they've had the benefit of being able to take advantage of more of the Cimpres capabilities. And given those acquisitions were funded by debt, the return on equity for those acquisitions was very high. I will cover the other ones. You can see them on the slide here.

On the next slide are some examples synergies from those acquisitions. There's quite a bit of detail there. I think they provide -- this slide provides just really tangible examples of the types of synergies that we've been able to provide ranging from immediate synergies to kind of medium-term and longer-term synergies, again, the upload and print businesses because we've had them for the longest, have gotten the most benefit in some of those longer-term categories. I'm not going to go through this in detail for time, but you can read through those tangible examples on this slide.

And with that, let me turn to Slide 144 (sic) [Slide 141] and cover some capital allocation priorities and some outlook topics. So not surprisingly, we've received a lot of feedback recently, questions recently on capital allocation due to the combination of the volatility and the trading levels of our shares and also our 7% notes, our current net leverage and the evolving macro environment. Some shareholders are of the view that we should be using excess liquidity to repurchase shares or maybe even be of the view that we should further reduce our organic investments to repurchase share. Some shareholders and debt investors are of the view that we should be using excess liquidity to repurchase our 7% notes, given that's a known and attractive absolute return and it also reduces our gross debt.

Some shareholders and debit [messrs] would prefer we focus on reducing our net leverage and continue to build or protect liquidity to ensure that we're protected in the face of any potential volatility from a softening macro environment.

There's been some pre-submitted questions on these topics that cover kind of a broad spectrum. So let me just spend a minute here. I talked a little bit about this in our recent public call after earnings. We actively consider all these options. And ultimately, it is a triangulation between -- on the one hand, our liquidity needs, which includes trying to assess risk around increased macro uncertainty. It includes assessing returns from -- among all of our alternative use of capital, of course. And then also leverage considerations, which includes when do we have future maturities. And the earliest one we have of any material size is not until May of 2026.

In the fourth quarter and through -- all the way through today, in Q1, we did bias towards protecting liquidity and also maintaining organic investment, namely in Vista, although even there, we've constrained ourselves and that prompted changes like exiting Japan as an example. We, of course, have these discussions with the Board on a regular basis. We'll continue to do that. We haven't repurchased any shares or debt to date in Q1. And in a few days, we're going to enter our quarterly earnings blackout. And so we won't do either at least until early November.

We do have sufficient liquidity, and we're seeing stable or improved results in our businesses. I'll give a quick update on that in a moment. But there are a few other considerations we have. First, there's a noncontrolling interest in one of our Upload and Print segments that has a contractual put rate each year, and that put rate is between the end of September and the end of November from a timing perspective. The executives that invested in these businesses, they're highly engaged. We hope to work with them for many years to come. That said, those businesses have had really strong results in fiscal '22. And for liquidity purposes, we have to plan as if they will exercise since they do have that contractual, right? And that could result in a cash outflow up to approximately EUR 86 million in the second quarter.

Second, with supply chain risk, including the energy situation in Europe, we've biased towards increasing inventory levels ahead of our seasonal peak, which we believe to be an obvious insurance policy, given the fact that those materials don't have obsolescence risk. And so the cost of capital, at least in my opinion, the cost of capital there on increased inventory versus the risk of supply disruption is a very clear trade.

So clearly, our steady-state free cash flow estimates I just talked about imply an estimate of intrinsic value per share. That far exceeds our recent share price levels, if you just do the math on that. As we progress on the Vista transformation and we continue to execute on our other businesses as we've been doing, we expect the opportunities for capital allocation and deployment to remain robust and will actively evaluate those with our Board using the philosophy we've consistently outlined for a number of years.

On the next slide, there's a few things here from a supply chain perspective. I will just provide the summary, which is we have not been immune to supply chain impacts. It is a challenged environment. But as we've talked about over the last year, we believe that challenged environment actually accentuates our advantages. And you can see some of the data behind that conclusion here. We think that, that will continue and we stand ready to be agile and to be very focused on this if the environment changes, but we believe that a challenged environment actually magnifies our advantages, that's been the case over the last year.

And so finally, let me turn to just a few comments on the outlook. In our annual letter to investors that we published at the end of July, we provided some forward-looking commentary about FY '23, but also beyond that. And so let me just reiterate that here and add a little bit of detail in some areas. Outside of Vista, we expect further revenue, EBITDA and cash flow growth in the years ahead. I went through the Vista expectations in quite a bit of detail on that section. So if you're listening to these out of order, just -- we refer you to that section.

But to summarize, we expect full year constant currency revenue growth to be higher in fiscal '23 compared to fiscal '22. And we expect that, that can be maintained for the next several years, at least. We slowed the growth of our investments in Q3 and Q4 of last year, but we're still going to be lapping the increased investment levels as we progress through the first half of fiscal '23 in addition to the cost inflation that intensified in the second half of last year. And that's going to weigh on margins in the first half of the year.

There's not a specific moment where all of a sudden that changes. We expect constant currency revenue growth is now going to accelerate and that we start to get leverage from our recent significant investments after we lap that full year impact of the investments and cost increases. And therefore, as we exit fiscal '23, we expect to be on a path to higher EBITDA growth with significant margin expansion in each of fiscal '24 and '25 as revenue growth outpaces the growth in OpEx, leading to EBITDA in absolute terms, as I said in the Vista section that exceeds historical highs and then grows beyond those levels.

At year-end, we also described some proactive cost-saving measures that combined take some of the pressure off of the FY '22 exit rate from a cost base perspective. In total, that was about \$25 million of annualized savings across Vista, our central teams, National Pen and our early-stage businesses. So putting that together, our expectation is that we will surpass historical high levels of consolidated adjusted EBITDA in fiscal '25 with strong cash flow conversion.

Of course, there are a lot of macro variables that could impact that, but that's our current expectation. That expectation does not itself justify the recent levels of growth investment, that too will need time to be fully demonstrated, but with progress each quarter on that path.

As for how things are going in the first quarter so far, July continued the trends we were seeing in the fourth quarter with continued growth outside of Vista and in Vista's strong performance in Europe and Canada with in July, relative weakness still in the U.S. market. We did see a meaningful uptick in performance over the last 6 weeks as a result of many small improvements that can now finally be made and are starting to increase velocity. You heard about a lot of those today. And with our prioritized objectives and this increased velocity we remain confident in our Vista plans for fiscal '23.

At a consolidated level, quarter-to-date, constant currency revenue growth is above 10% with improving Vista results, as I just noted. The impact of cost inflation that we experienced in the second half of last year, still evident. I talked about that earlier. But we have made further price changes since the beginning of the fiscal year, including in Vista where our target for this year is to realize at least \$20 million of uplift from pricing changes meant to offset cost inflation or at least partially offset cost inflation.

Lastly, there's been a lot of volatility in the currency markets recently. Our 2 largest currency exposures are the euro and the pound. Just so people have it, our average contracted hedge rate for the U.S. dollar to euro is 1.19. And for U.S. dollar to the pound is 1.35. Each of those, of course, significantly higher than current spot rates. The gains from hedging, as we disclose each quarter are not included in our segment EBITDA but are included in our consolidated EBITDA results. We're also partially hedged for these currencies and a basket of any of our exposures into FY '24 as well. With FY '24 really being focused on the euro and pound where we go out a little bit further in terms of how we average in.

So with that, I'll just wrap things up. Our hope is that through today's presentations and examples from around our businesses, but really, especially in Vista, where we spent a lot of time that you're able to get a sense of us building momentum both within each business individually, but also collectively as our businesses leverage the scale-based advantages that we have and each other's strengths. Cimpres is a strong and growing business with amazing talent. You've seen some of that today with clear competitive advantages and great prospects for the future.

And with that, we look forward to taking any questions you have. So I'll turn it back to you, Meredith.

## QUESTIONS AND ANSWERS

**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Great. Thank you very much, Sean. All right. We are moving into the Q&A session. We have a great mix of pre-submitted questions and also some live questions that have been coming in through the entire presentation. So let's get started.

I'm going to start with a question about our stock price right now. What does Cimpres' management team believe that Wall Street is missing on Cimpres? Is there a disconnect between the general view of the stock and the reality of Cimpres' prospects? Sean, I'm going to throw that one over to you.

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**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

Yes, I'm happy to take that one. Listen, in short, yes, we believe there's a disconnect. I think that's evident from the financial expectations I just shared. But importantly, those financial expectations are driven by the strength and the capabilities of our businesses. And hopefully, you got a chance to see exactly that today. We know, and I think this is where part of that disconnect comes from. We know we have to demonstrate that the investments that we're making in Vista are going to deliver value that justifies those investments. But that doesn't happen all at once.

We've been making those investments while migrating the tech stack. We're finally past that point. And you've heard now where we can finally unleash these capabilities. And it comes from progress that we're going to make every day, every week, and that's exactly what we're focused on now. And hopefully, again, you've heard a lot of examples of specifically that throughout the presentation today.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Great. Thank you, Sean. This next question, I'm going to throw over to Robert. Robert, we've actually had quite a few questions on design. So I'm going to go through a series of questions here. The first one, here is the question. Vista is late to the game in design. Why do you think you can take share from your competitors? Who do you consider are your competitors?

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**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO, Cimpres & Vista*

Okay. Well, I would say -- first of all, Vista was the first to the game. It was 1999 when Vistaprint introduced browser-based template-driven design for small businesses or anyone else. Now today, we have over 10 million paying customers per year and the highest relative -- revenue relative to any competitor. That being said, I do believe and we acknowledge that we fell behind some smaller firms who are very innovative in what they're doing. But if you look at our strengths, we remain the leader and do it with [help]. Florian mentioned how we have enormously high customer satisfaction rates within session live chat design and support.

Secondly, the investments we're making in our technology platform, our data systems, the investment in design and service that Florian talked about, our acquisitions is helping us remain a leader. It's true that we were late to provide a 2-sided network of freelance designers on call for small businesses, but we have that now with 99designs. Frankly, we're also late to get to a best-in-world design-focused website presence or website builder, but we're now there with the Wix partnership. We relate to getting to social media-focused design and massive template created through networks of design -- freelance designers, but we are now there with VistaCreate. We are -- and frankly, I do acknowledge we were late with algorithmic and AI-driven logo generation, but we're now there with our LogoMaker.

Now I also say that looking forward, design in the space here is just as those smaller competitors came into the areas I just mentioned. And as innovative start-ups came up with very interesting ideas that we're now catching up to. Even though we remain the leader and there's many people in this space, I don't think this space is owned by anyone. There's a lot of innovation, for instance, in artificial intelligence and generating design through AI. Combining that with humans is an enormous opportunity for us in the future. And no one in the market has the number of customers, the data or the focus on small businesses that Vista has.

So again, we have a bold vision in our full spectrum design. It's going to lead to significant value to customers. And in terms of the competitors, I would actually say there's a lot of competitors. I just alluded to some of them. But I think it was Slide 43, but one of the slides I had in the introductory section, and I think, Sean, you helped me out with. There is a slide that shows that small businesses who pay for design account for in Germany, something like 3/4 of the TAM, in the U.S., 2/3 of the TAM. And for that, the competitors are local graphic designers who have traditionally served this industry. So again, it's a very dispersed competitive set, and we are committed to making design a real towering strength of Vista.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Great. Thank you, Robert. This next question, I'm going to ask of Florian. Florian, this is a question on when do we anticipate full integration between VistaCreate and Vistaprint will be complete so that any design on VistaCreate can be printed at Vistaprint.

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**Florian Baumgartner** - *Cimpres plc - EVP, Design & Service, Vista*

Great question. Thank you. So look, clearly, we are working towards a seamless design experience that brings not only VistaCreate and Vistaprint together what I can't stress enough. Also the capabilities that we have in 99designs and in our CARE organization. And all of that in pursuit of driving incremental LTV and customer core value, as we explained earlier.

Now we don't pretend to know today what exactly that seamless future experience looks like. What we are very confident about is that we have over the last couple of years, acquired and assembled all the building blocks to put that together, but there are things that we needed to figure out. And so rather than give you a specific end date, let me again just give you a little bit of a lay of the land with some of the foundational things that we're working on and also some of the test and learn iterations and experiences that are starting to take place.

So in terms of foundations, don't underestimate what it means to create a single Vista account. We're near complete on single Vista account, but that is one of the things that we had to do just to start even laying the most basic foundations for a combined experience. The second foundational capability is digital asset management, meaning enabling customers to create an asset on one side and easily pour that over to a different one. So that's another area that we're heavily busy on just now.

And then thirdly, and I think this is probably one of the most complex things just simply because over the many years at Vistaprint, we acquired a lot of knowledge and detail about how print works well. So this is the work on all the conversion, if you will, or translation capabilities between how a design or content is represented today in one of our sites versus in others. So there's a lot of those foundational capabilities that we're building on.

But then on top of that, we are already starting some of the test and learn exercises. I talked about LogoMaker earlier today. Now due to the modularity of the tech stack and how we're going about things, we were able to plug and play LogoMaker into both Create and print. Also, as I mentioned, we began to test print conversion in VistaCreate, it's currently just at a very, very small scale, and that's why I'm not sharing any data at this point. There's a lot more we need to learn and we need to experiment and explore over the next quarters.

And then lastly, we're also bringing or testing how we can bring some of the do-it-with-help capabilities that work really well on Vistaprint over to the VistaCreate side and see how customers react to those capabilities over there. So a lot going on in terms of those foundations, I don't expect that to be a straight line. It's not a journey that will last a quarter or 2, but we're definitely thinking more in years when we look at the full journey towards the Vista's experience.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Great. Thank you, Florian. I am going to stick with you for the next question. It's a quicker one. I think on how do the customers for VistaCreate and Vistaprint differ? How much overlap is there? And are most of the designs on VistaCreate -- sorry, are most of the designs on VistaCreate digital ones that never make their way to print? For designs that do go to print, do we have a sense for what percentage of those customers were capturing via Vistaprint and what percent use other services?



**Florian Baumgartner** - *Cimpres plc - EVP, Design & Service, Vista*

Yes. Look, to answer the question directly, the current -- if you just look at the current overlap of the respective customer bases, it's very, very low, small single digits, which means there is a huge opportunity because when you look at the target customers that the companies have independently been going after, then definitely, those [trial] customers share a lot of the same characteristics. VistaCreate, of course, much more stronger in social media, Vistaprint and print and custom physical products, which means once you look at some of the behavioral characteristics of those customers, they'll score a little bit higher on one or the other.

But in general, a nice overlap of the target group. We don't disclose the exact crossover design numbers, but it starts very low. What makes me confident looking forward is, so despite the fact that we haven't yet enabled a large printed products catalog on VistaCreate, let alone made printing easier. We already see around 15%, 1-5, of downloads in VistaCreate for physical print formats. And some research that we've run, and this is not statistically significant research okay, so take this with a grain of salt. But early research does indicate that around 25% of VistaCreate customers are actually looking for a print provider. So there is definitely opportunity for us, but this is all forward-looking and something that when I talked about value creation proof points that we want to prove out as the year progresses.

**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Thank you, Florian. Okay. Robert, we're going to do one more question in the design area. This is on competition. In speaking with subject matter experts, we often hear that Canva is a big threat to Cimpres. Do you view Canva as a direct or indirect competitor? If so, how feasible is it for a company like Canva to replicate what we do in printing via partnerships with smaller printers? Alternatively, if they wanted to build this infrastructure from scratch, what would it take? And if not, why not?

**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO, Cimpres & Vista*

Well, first of all, we do recognize Canva is a great business. We have a lot of respect for them. But I would, first of all, say that although in certain areas, we directly compete. In many other areas, it's very indirect. We are really playing across this space of design, print, digital, focused on small businesses. And we're in such large markets, both of us has to be expected and not surprising that there are more than one good company in any major market like this.

Now in terms of the question about printing, we have spent 2 decades building up incredible capabilities in the MCP platform, in the physical production capabilities that you saw a little bit in today's presentations from Bryan and from Paolo, what we have at Vista. We also have thousands of CARE agents around the world who are standing readily to help customers, specifically with their print needs. So these are not easily built SaaS software capabilities that can just be turned on.

So in summary, I would think the opportunity to serve the customers in these massive markets are simply too big for any one company. We have a lot of growth in front of us. We respect Canva. We -- like Cimpres, they are helping drive customer value and that customer value is helping bring more people online to new ways of doing design and therefore, other products like print.

Rather than going to the traditional methodologies of design that I just mentioned a few moments ago, where 2/3 of the market in major countries and more in other countries are still going to very traditional design sources. So I'll stop there. I know we're short on time.

**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Thank you, Robert. All right. So this next question is on advertising. I'm going to throw it to Sean for the very quick answer, and then I'm going to throw it to Ricky for more detail. So the question is, what is the scale of the increase in mid- and upper funnel advertising spend in FY '23? And what do you expect the payback period to be?

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**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

Yes, sure. The -- it is relatively significant in FY '23. But the way I would think about it in terms of the overall financial impact, as I said before, is that in terms of our total advertising spend as a percentage of revenue, for a full year, we expect in total, that would remain at similar levels, maybe go up a little bit, but certainly not back to our prior levels. I had that slide on that in the Vista section.

And the -- part of the reason for that is that the experimentation that we're doing in mid- and upper funnel. Some of that is actually funded by pulling in our performance spend in order to fund and really shift the mix upwards in the funnel for all the reasons that Ricky spoke about earlier.

In terms of payback, the mid-funnel spend is in the sort of 1- to 2-year range, the upper funnel spend would be beyond that. But all of that starts to have an impact on customer acquisition, on growth and so a partial payback in year, but the full payback, especially on the upper funnel spend won't be for -- until several years out.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Ricky, do you want to add anything?

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**Ricky Engelberg** - *Cimpres plc - EVP & Chief Marketing Officer, Vista*

Yes. I say again, we've chosen to focus on full funnel in Australia and France as well as the DMA test, the designated market areas to be able to see the impact of full funnel markets without taking on the entirety of the U.S., which obviously requires the most investment. We're going to be aiming to reach a 50-50 demand creation/demand capture, split investment-wise in those markets, so I think 50-50 brand versus performance. With that demand creation being a 3 to 4x increase, I mean we would have previously invested in a market like Australia or France, but in a self-contained window for the test to be able to see the impact and be able to sensibly expand from there as ROI has proven out.

And the (inaudible) I showed all the different ways we'll be measuring it to be able to see what the payback is and the different impacts we'll be having across lots of different metrics. And so we're going to be learning a lot over the next 6 months.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Excellent. Okay. A couple of quick hits here from Michael. I think that resulted from the slide that Sean showed showing all of the different variable gross margin and profit by different types of product lines. First, within Business Cards & Stationery, what kinds of products other than business cards are included? Or is it mostly business cards? And then on marketing materials, what are these items?

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**Michael Fries** *Cimpres plc - SVP Physical Product, Vista*

You find the structure of our categories also on the website. So when you go to the navigation there, you will find the different categories and what is below them. And stationery contains everything that we also call business identity products on top of the business cards that is needed to create credibility for our business. That includes letterhead, stamps, notebooks, sticky notes. And for marketing material that is flyers, postcards, brochures, presentation folders and also many more products.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Great. Thank you. All right. So the next question is an Upload and Print question. So Paolo, stand on by. After years of mixed performance at Upload and Print, I'm not sure I agree with that one. But after years of mixed performance at Upload and Print, 2022 was a standout year. Can you explain what drove that change and the sustainability of that trend?

**Paolo Roatta** - *Cimpres plc - CEO of The Print Group*

Sure. Well, that's an excellent question. Actually, I will start by saying that we, at Cimpres have remained committed to investing, including during the pandemic years, and this represented an advantage versus the rest of the competition. So I will say that following the marketing challenge -- the market challenges that derived from the pandemic, the challenges that we had that we're experiencing now in the - in this moment of disruption in the supply chain.

Thanks to our internal capabilities, we can say that today, the competitive landscape has changed versus 2, 3 years ago versus pre-pandemic. And the new landscape has cleared out a lot of the players and favored the bigger players like us. And we are the biggest player in the market. As you probably know, we are twice the size of our next competitor or more than twice the size.

So all the elements that we touched upon during the presentation, so the fact that we went through a faster conversion to online, [that is] intermediation, the fact that we have a larger scale and margins compared to competition, and this gives us access to supply when it's difficult to secure it and it gives us more flexibility with the price changes and adjustments. Also the fact that we are more advanced in terms of technology production and therefore, we are more competitive in those products that are more complex. So we are distancing ourselves from our competition more than what happened before.

All this puts us in a better situation and versus competition than before the pandemic. If you look at our growth rates, they are higher than before pandemic. Our margins are higher than before pandemic. Also, the progress that we've done with MCP and all the support that Maarten and his team has given to us are positioning us in a different space versus 2, 3 years ago. So as a result, I think that we can say our performance in our distance versus competition is more sustainable than what it was before.

**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Great. Thank you, Paolo. So this next question is about price inflation. So we may get a couple of different perspectives on this one. Have the price increases you've implemented covered 100% of inflationary pressures from input costs across the organization. We covered this a little in the presentations, but maybe we can just sort of wrap it all up nicely now here in the Q&A.

Sean, do you want to start out first?

**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

Yes. I'll start out with this, and then I'll pass it to others to jump in. So no, they had not 100% offset. I mentioned before, the impact -- the net impact was \$29 million in the second half of last year. Starting in June, we, as I mentioned before, started to test on a broader scale. In Vista, broad-based pricing increases. Those have fully rolled out now, and then we continue to iterate beyond that. We have a target of more than \$20 million of pricing improvement. Internally, the target is more than that, but that's what's included in our plans. So no, it hasn't fully offset. But relative to our exit rate for FY '22, there are price improvements in market that should begin the process of helping to partially offset those.

So Paulo or Bryan, do you want to jump in?

**Paolo Roatta** - *Cimpres plc - CEO of The Print Group*

Sure. Well, I can speak for the Upload and Print area. In general, we've aimed at preserving the profit margin in absolute numbers. And that means that if you look at the performance, we actually managed to increase the EBITDA. And so we managed to achieve this partly via cost efficiency that was driven by the significant cost increases that we had and partly via price increase. So we achieved the goal to offset the impact of input cost increases.

**Bryan Kranik** - *Cimpres plc - CEO, BuildASign*

I echo all that. I will say we probably had a little more success in the small business arena than more of the consumer-oriented products. But for the most part, we've been able to pass on cost increases. The other lever that's been very effective is incremental upsells which we've been able to effectively leverage to minimize that impact as well.

**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Thank you, Bryan. Thanks, Paolo and Sean. Okay. This next question, I'm going to throw to Sean. As investors and company builders, we understand that it's often necessary to sacrifice short-term financial results in service of long-term value creation. However, we also like to remind ourselves that the long term is just a series of short-term stacked together and that near-term results allow for long-term conviction. Do you agree that it is important to show near-term results to create long-term conviction? If so, what steps are being taken to ensure short-term financial discipline? And if not, why not?

**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

Fantastic question. Thank you. First of all, we absolutely do agree with the fact that the long term is a series of short-term stack, and we need to deliver in the short term. So let me say a few more things. I think one piece of evidence of that is we have constrained our level of investment in FY '23. And here, we're really talking about Vista because in our other businesses, the level of growth investment, one, it's not on a relative basis, very significant. And two, a lot of it is, like, for example, in Upload and Print in Paolo's businesses or the other segment. A lot of it is growth CapEx and the businesses are growing very significantly. And so those have very clear paybacks.

So we've constrained ourself of Vista. I said before, FY '23 is not a year of incremental investment. We slowed that down in Q3 of last year and in Q4. Now it's about execution. It's about doing exactly what this question says, and so we fully agree from that perspective. We've hopefully gotten across an understanding through today of the trajectory of those proof points. There's a lot of proof points that we need to start to have stack on top of one another. It's not like there's just going to be a light switch that gets flipped on. It's a dimmer switch. And that dimmer requires every day, every week, making progress. These are real customers that we're interacting with and trying to acquire and do different things with. There's a lot of experimentation happening there.

And we see that starting to pick up. And so we're encouraged by that, and it needs to continue every week, as I said. So that's absolutely the case. I won't go through it in detail, but in terms of ensuring short-term financial discipline, there are also changes that we've made to kind of operating cadences and reviews. And even the way that we've prioritized our objectives and key results for this year, is through a different lens, and that lens is all about delivering proof points on the investments that we've made. It is not about incremental investment.

And in fact, because we've constrained ourselves, we did have to make tough decisions. We shut down our business in Japan. There's not a pleasant thing to do, the Japanese market is very interesting, high GDP, but we had to constrain ourselves and make that choice. So fully agree. And we will be reporting on our progress throughout this year, and it will be about those short-term wins starting to stack together to deliver both near-term results but also proof points on that longer-term conviction.

**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Thank you, Sean. Okay. This is going to be a question for Robert. This is a fun one. Somebody paying attention to the industry press. It was reported by (inaudible) at Beyond Print that Cimpres has made an investment in CloudLab. Can you explain the terms of the deal and the rationale for the investment? Will CloudLab be able to market and sell some of the mass customization platform APIs it has developed in the last few years?

**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO, Cimpres & Vista*

Well, thanks for the question. I would say the rationale is that we live in a world where competition for technology talent is really fierce. And the software knowledge and skills required for mass customization of print is highly specialized. So by investing in CloudLab, we were able to get a dedicated, established scalable team, a really world-class product development engineers who have a singular focus and have had a singular focus on software that drives mass customization of print.

Now for those of you who may not be familiar with CloudLab, we think they're the best SaaS company there is for print customization, mass customization software. And it's used by thousands of local printers and many of the largest online printers. Different parts of Cimpres' leverage cloud led for a very long period of time. They have great technology, great track record of customer-focused innovation. Their founders are still shareholders and they're strong entrepreneurs who really want to build their company for the long term and who wanted a shareholder like Cimpres who thought the same way without having them to sell out their equity.

So this is a financial investment in CloudLab following that investment -- as I mentioned, they had set up a dedicated team to serve us separate from their other clients. There was a question about MCP APIs. CloudLab is already started integrating our MCP APIs into their own SaaS subscriptions and they'll continue to do so. But we don't see CloudLab selling MCP APIs as standalone products rather there as part of CloudLab's overall product range.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Thank you, Robert. Okay. This next one is a recent question that came in live for Sean. So just some clarification on the guidance for Vista. Vista H1 sees margin pressure, but does that mean nominal EBITDA goes down and then recovers in the back half with the growth in EBITDA actually beginning in '24?

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**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

Yes. So I try to be -- to give a lot more information than we have, just in terms of some of the detail on the year ahead and so on. I'm going to stay away from giving -- trying to get into like sort of quarter-by-quarter EBITDA guidance in absolute terms. But I think the overall kind of message for Vista in '23 and from an EBITDA perspective, but also from an overall perspective, is it acceleration of constant currency revenue growth, EBITDA margins weighed down by the things I went through before in the first half of the year, starting to improve as we exit the year.

So the exit rate, when you put those 2 things together, higher rate of growth and starting to see that margin improvement from an exit rate perspective, starting to see that EBITDA improvement in absolute terms exiting the year. And then as I said, we believe that growth can continue in '24, '25 with meaningful margin expansion in each of '24 and '25. And so that is the shape of the trajectory. Hopefully, that's specific enough.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Thank you, Sean. I'm going to stick with you for a quick last question. I said this is on the Vistaprint India or maybe broader than that. It looks like Vistaprint India has grown tremendously. Is this business generating positive cash flow?

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**Sean Edward Quinn** - *Cimpres plc - EVP & CFO, Cimpres & Vista*

So they have grown tremendously, and they're also on the new platform after August. That was our last country to launch. Basically close to breakeven EBITDA some quarters above, some quarters below growing rapidly from a cash flow perspective, a little bit of cash burn. And there could be -- I'm not sure what the reason for the question is, but we think the Indian market is interesting. This is a fast-growing business that we have.

We have, just so it's clear, grown our headcount in India substantially, but that's not just for Vistaprint India because we have a talent infrastructure in India that most of our businesses participate in, and we now have, I think, over 2,000 team members in India. But again, only a portion of those -- a smaller portion of those is for the domestic Vistaprint India business, which is growing quickly.

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**Meredith Burns** - *Cimpres plc - VP of IR & Sustainability*

Thank you, Sean. All right. With that, I am going to turn things over to Robert for some closing remarks. And just say thank you to everybody who joined us today. We really do appreciate the time investment that you've made. And Robert, take it away.

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**Robert S. Keane** - *Cimpres plc - Founder, Chairman & CEO, Cimpres & Vista*

Thanks, Meredith. So I hope you've really taken away how we are the clear leader in our market. And in FY '22, we grew to record revenues in market share. Most of Cimpres' businesses exceeded the pre-pandemic profitability and they have great momentum for the future. In Vista, which obviously is our biggest and most profitable business, the foundational investments that we've made have put us into the starting blocks that have set us up for high velocity of improvements in customer value, a return to healthy growth. And over the next several years, a return to and beyond prior Vista profit levels.

So we look forward to a year of focused execution in fiscal '23 and beyond and to demonstrating to you, our investors how Cimpres' strengths and our past investments will translate into tangible measurable improvements to really important key performance indicators.

Thank you for the time you've invested to learn about Cimpres today, and have a great rest of your day.

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