

*Vistaprint N.V.*  
*Investor Day 2013*

Webcast will begin at 8:30am ET

**Vistaprint** | Investor Day 2013

# *Agenda and Presenters*

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**8:30am**      **Welcome**

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8:35am -      Presentations  
11:15am

Robert Keane, President and CEO	Introduction and Overview
Trynka Shineman, CCO and EVP	Customer Value Proposition
Don Nelson, CIO and EVP	Technology & Development
Hauke Hansen, CMO and SVP	Manufacturing & Supply Chain
Mark Inkster, SVP, MOW	Japan, India & China
Ernst Teunissen, CFO and EVP	Long-Term Financial Model

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11:15am -      Q&A  
12:00pm

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# Safe Harbor Statement

*This presentation and the accompanying notes contain statements about our future expectations, plans and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, including but not limited to our financial guidance, outlook, expectations, and investment areas for the fiscal year 2014; our planned investments in our business and the anticipated effects of those investments; our operational growth strategy and the anticipated development of our business and financial results in fiscal 2014 and in future fiscal years in response to our strategy; and the anticipated growth and development of our business and markets, especially in Europe and Asia-Pacific. Forward-looking projections and expectations are inherently uncertain, are based on assumptions and judgments by management, and may turn out to be wrong. Our actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our projections and guidance are based; our failure to execute our strategy; our failure to make the investments in our business that we plan to make or the failure of those investments to have the effects that we expect; our failure to identify and address the causes of our revenue weakness in Europe; our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers; the willingness of purchasers of marketing services and products to shop online; currency fluctuations that affect our revenues and costs; costs and disruptions caused by acquisitions; the failure of our acquired businesses to perform as expected; difficulties or higher than anticipated costs in integrating the systems and operations of our acquired businesses into our systems and operations; unanticipated changes in our market, customers or business; our failure to promote and strengthen our brand; the failure of our current and new marketing channels to attract customers; our failure to manage the growth, changes, and complexity of our business and expand our operations; competitive pressures; our failure to maintain compliance with the financial covenants in our revolving credit facility or to pay our debts when due; costs and judgments resulting from litigation; changes in the laws and regulations or in the interpretations of laws or regulations to which we are subject, including tax laws, or the institution of new laws or regulations that affect our business; and general economic conditions. You can also find other factors described in our Form 10-Q for the fiscal quarter ended March 31, 2013 and the other documents we periodically file with the U.S. Securities and Exchange Commission.*

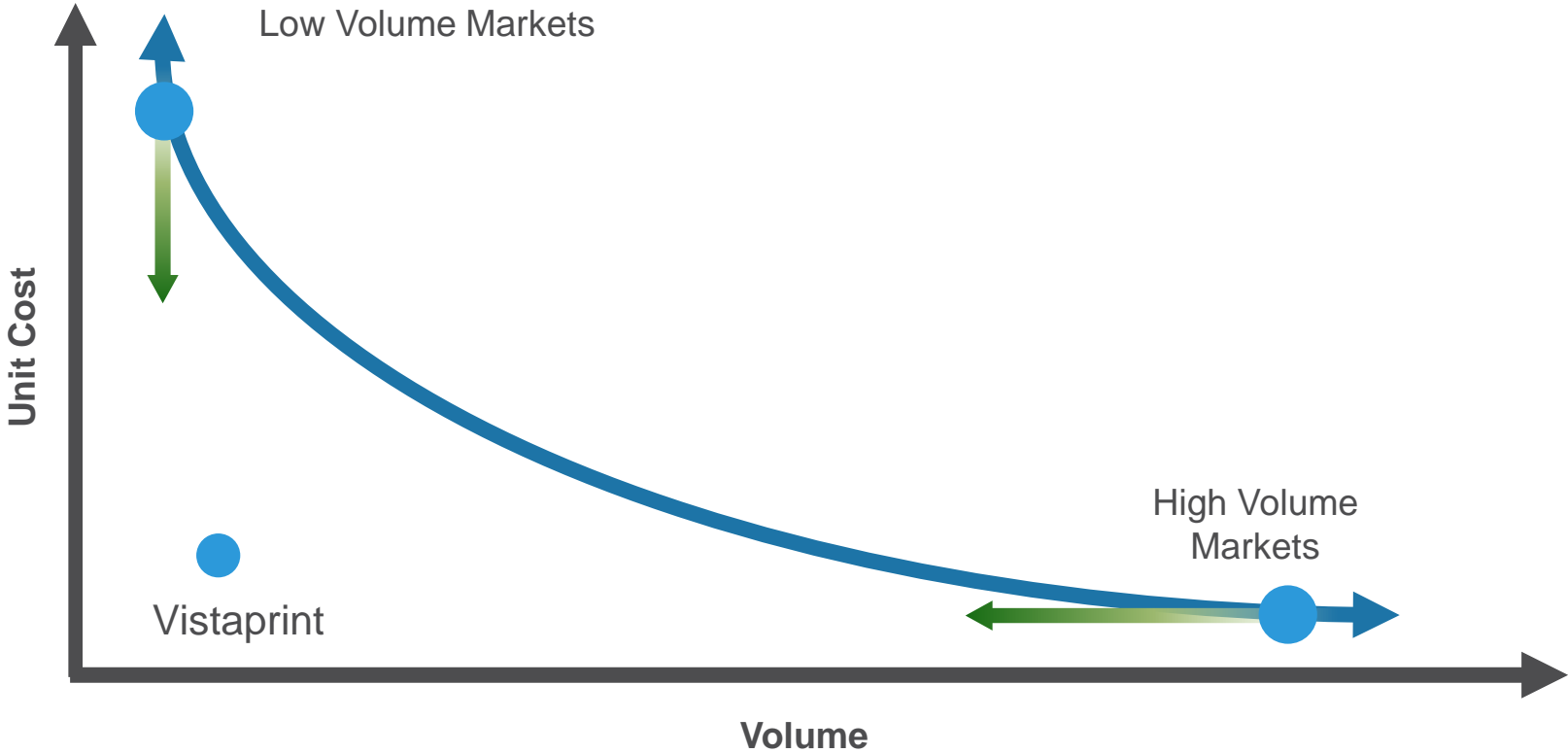
# *Introduction & Overview*

Robert Keane

President and Chief Executive Officer

Vistaprint | Investor Day 2013

# Our Business Model



**Unique Customer Value Proposition**

**Competitive Advantage**

**Economies of Scale**

**Marketing**

**Technology &  
Development**

**Manufacturing &  
Supply Chain**

# SAVE UP TO 100%

These items are sure to jumpstart your business!

Premium Business Cards	Now \$29.99	FREE Business Cards - Glossy	Now \$1.99
Standard Postcards	Now \$1.99	Oversized Postcards	Now \$1.99
Small Magnets	Now \$1.99	Keychains	Now \$1.99
Small Car Door Magnets	Now \$1.99	Large Magnets	Now \$1.99
Brochures	Now \$29.99	Presentation Folders	Now \$29.99
Rack Cards	Now \$1.99	Flyers	Now \$1.99
Websites	1 Month \$1.99	Peris	Now \$1.99
NGW Cameras	Now \$1.99	Window Decals	Now \$1.99
Premium T-Shirts	Now \$69.99	FREE T-Shirts	Order Now!
Literhead	Now \$1.99	Envelopes	Now \$29.99
Invitations	Now \$1.99	Maps	Now \$1.99
Levin Signs	Now \$1.99	Sticky Note Holder	Now \$69.99
FREE Sticky Notes	Order Now!	Note Pads	Now \$1.99
Note Cards	Now \$1.99	FREE Rubber Stamps	Order Now!
Announcements	Now \$1.99	Posters	Now \$1.99
Small Stamps	Now \$1.99	NGW Mouse Pads	Now \$1.99
Date Stamps	Now \$69.99	Signature Stamps	Now \$69.99
Postal Stamps	1.99	Return Address Labels	Now \$1.99
Business Card Holder	Now \$69.99	Checks	Now \$1.99
Photo Lockets	Now \$69.99	FREE Logo Design	Order Now!

Start marketing your business today! Offers expire %&\_expdate%.

### Marketing Tip: Building Your Brand

The first step to creating a brand identity is having a consistent look. Match your Business Card design with Literhead, Envelopes and more.

**WE'RE GIVING AWAY THE FARM**

Specialized 100% on customer favorites for your home or office!

**FREE SHIPPING** on orders over \$50

**Now FREE** Downloads  
**Now FREE** Clear Stock Downloads

HOME SWEET HOME	SHOW THEM WHO'S BOSS
FREE! Tablets	Premium Business Cards
Phone	Standard Postcards
Mouse Pads	Return Address Labels
FREE! Sticky Notes	Large Car Door Magnets
Calendars	FREE! Rubber Stamps
Keychains	Brochures
Maps	Clear Stock Downloads
Sticky Note Holders	Business
Small Magnets	Sticky Pads
Checks	Lamin Signs
Premium Tablets	Websites
Stake Cards	Small Car Door Magnets
Letterhead	Desk Calendars
Envelopes	Flyers
Table Magnets	Window Decals
Posters	Stake Cards
Large Office Tablets	Signature Stamps
Postal Stamps	Business Card Holders
Large Magnets	FREE! Logo Design
	Posters

We won't be giving it all away forever! Order now!

500 Premium Business Cards for Just \$1.99!

500 Premium Business Cards for Just \$1.99!

# BOGO

Buy One, Get One (FREE!)

500 CARDS ONLY \$1.99!

New Directions Company  
  
 Susan Wilson  
 Photography  
 www.susanwilson.com  
 90 The Shore Road  
 Suite 200  
 278-100-4000  
 Bob Bland  
 Designer

Premium Business Cards 250 Start at \$19.99 **Now \$1.99!**  
**Plus, 250 More FREE! You save 90%!**

High-quality 4-color printing • Choose from thousands of designs  
 Order online - fast and easy

**Order Now**

Hurry - Buy 250 Premium Business Cards for \$1.99 and Get 250 More FREE!

Vistaprint Make an impression.

Additional charges will apply for shipping and processing, product upgrades and printing/copying options (unless otherwise specified). Offer may apply if your order contains multiple free products. Discounts valid only on limited quantity of each product. Discounts not valid on premium products or in combination with any other offers. See website for details.

The products and services in this e-mail are provided by Vistaprint. If you are unable to view this e-mail, please click here. United States customers may contact us in case of our U.S. subsidiary Vistaprint USA Incorporated, 55 Highway Avenue, Lexington, MA 02421. To view our privacy and security policy, click here.

877-651-3311

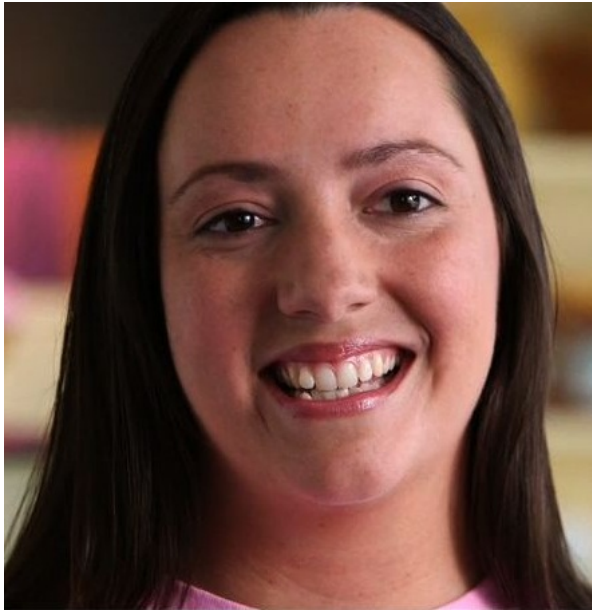
# *Market Segmentation*

## *EU & NA businesses <10 employees*





# Higher Expectations Customers



Lea Yadeski  
Owner, Ye Ole  
Sweet Shoppe



# Adjacent Opportunities

## Digital Marketing



- Growing segment of small business marketing spend
- Important long-term opportunity for company that can offer integrated digital and physical marketing services for small businesses

## Home & Family



- Especially important in Europe and as opportunistic offering with small business customers

## Geographic Expansion



- Number of small businesses in India and China alone projected to dwarf NA and Europe
- Different types of challenges than core markets

# *Driving Financial Returns*

- Long-term cash flow per share important
- Revenue growth and margin expansion opportunities
- No longer expect to grow through 2016 at 20% CAGR outlined in 2011
- Slower revenue growth makes achieving net income target less likely by FY16
- But now starting an expected multi-year ramp in margins and EPS

# *What You Will Hear Today*

Large market opportunity...and more work to do to unlock it

Strategy execution to date...and move toward more customer-centric culture for enhanced long-term value creation

Lower revenue growth versus prior targets...and improvement opportunity over time

Driving EPS, margin and free cash flow improvements despite revenue setback...and further opportunity in future

# *Customer Value Proposition*

Trynka Shineman

Chief Customer Officer & EVP Global Marketing

Vistaprint | Investor Day 2013

# Sales & Marketing Snapshot



# *Agenda*

- Customer Value Proposition Evolution
  - Product
  - Pricing
  - Customer Service
- LTV Advertising Evolution
- Combined Results to Date
- Improving European Performance
- What's Next

# Customer Value Proposition Evolution



**Free & Low Price**



**Affordable & Value**

**Basic Quality**



**Professional Quality**

**Business Cards**



**Marketing Products**

**Simple to Design**



**Simple End-to-End Experience**

**Transactions**



**Relationships**



# *Product Evolution: Premise*

**From**

**Basic quality**  
across products

**To**

**Leader in quality**  
for most important  
products; match quality  
of direct competition for  
other products



# Product Evolution: Impact

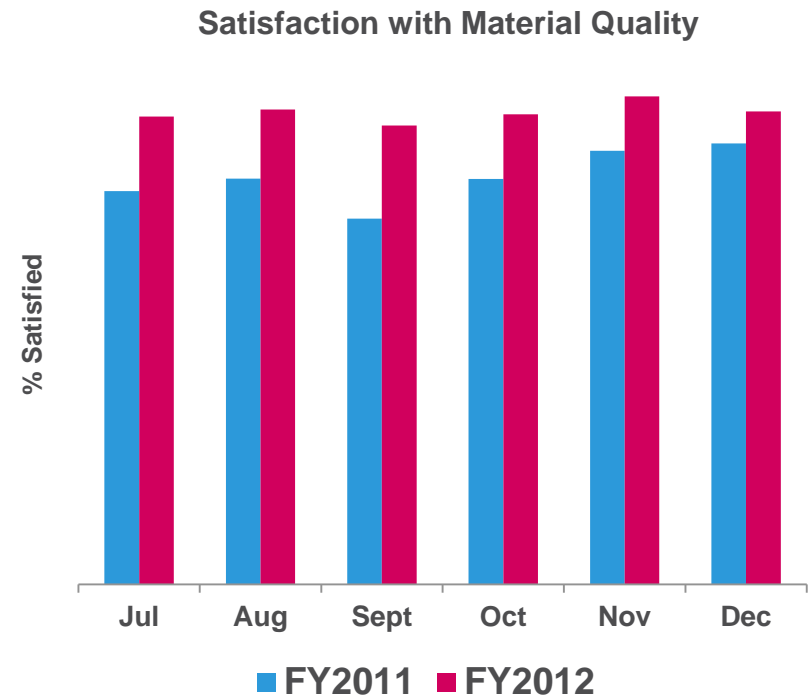
## Near-Term Impact

- ↑ Net Promoter Score
- ↑ Materials expenses
- ↑ Fixed marketing expenses

## Intended Long-Term Impact

- ↑ Revenue
- ↑ Customer Retention
- ↑ Customer LTV

Satisfaction with material quality has increased 6% on average since the introduction of new business card stock



*Business card substrate improvements were introduced in May 2012*

# Pricing Evolution: Premise

## From

Cast wide net and optimize for **per-transaction** economics

**250 Premium Business Cards FREE** Reg. \$19.99

[CLICK HERE](#) to get started today!

**THAT'S NOT ALL! Try these other high-quality products today!**

<b>Brochures</b> 25 Reg. \$29.99 <b>NOW FREE</b>	<b>Standard Postcards</b> 100 Reg. \$24.99 <b>NOW FREE</b>	<b>2010 Calendars</b> 1 Reg. start at \$15.99 <b>NOW FREE</b>
<b>Flyers</b> 25 Reg. \$29.99 <b>NOW FREE</b>	<b>Large Magnets</b> 10 Reg. \$10.99 <b>NOW FREE</b>	<b>Letterhead</b> 10 Reg. \$19.99 <b>NOW FREE</b>
<b>NEW! Banners</b> 1 Reg. start at \$19.99 <b>NOW FREE</b>	<b>Holiday Cards</b> 1 Reg. start at \$10.99 <b>NOW FREE</b>	<b>FREE T-Shirts</b> <small>Order Now!</small> <b>1 FREE</b>
<b>Note Cards</b> 10 Reg. start at \$7.99 <b>NOW FREE</b>	<b>Invitations</b> 10 Reg. start at \$7.99 <b>NOW FREE</b>	<b>Car Door Magnets</b> 1 Reg. start at \$5.99 <b>NOW FREE</b>

**ORDER NOW! This NEW Offer Ends %wt\_expiredate%**

- + upload fees
- + upgrade fees
- + shipping fees

## To

Provide great value and optimize for **customer lifetime value** and loyalty

**250 STANDARD BUSINESS CARDS**

**FOR \$10<sup>CDN</sup>** **FREE SHIPPING**

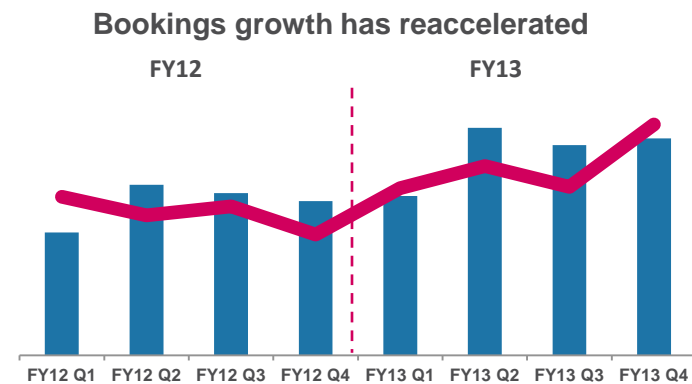
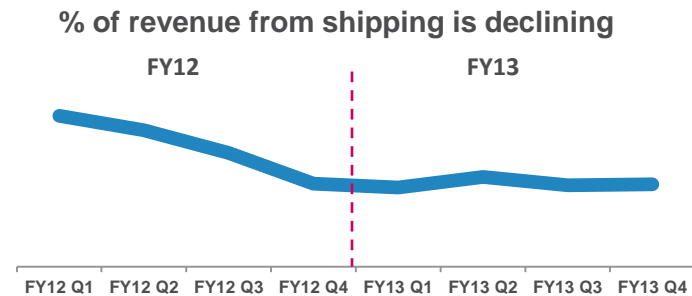
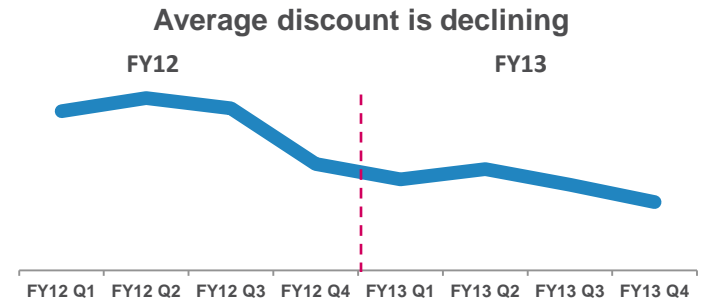
Limited time only. Standard business card offer limited to one per order. 14-day free shipping included. Additional restrictions may apply. For details, visit [www.vistaprint.ca](http://www.vistaprint.ca)

[vistaprint.ca/tv1](http://vistaprint.ca/tv1) 1-800-vistaprint

# Pricing Evolution: Example

## Canada Pricing Changes

- Lower list prices, lower discount levels
- More pricing consistency across channels
- Drastically reduced shipping prices and elimination of fees
- Neutral to positive impact to GM



# Pricing Evolution: Impact

## Near-Term Impact

↓ New customer adds

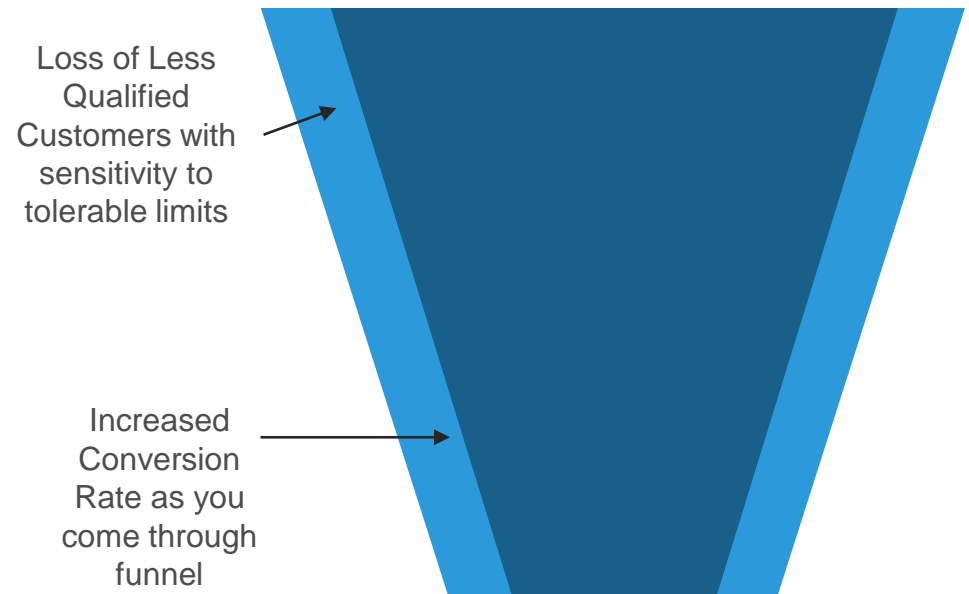
↑ AOV

## Intended Long-Term Impact

↑ Customer retention

↑ Customer LTV

The New Pricing Vision may detract some new customers...



...And should yield high value customers with higher profit margins

# *Customer Service Evolution: Premise*

## From

Limited investments in customer service due to **in-year profit constraints**

## To

Appropriate investments in customer service to **match e-commerce norms** and provide the value our customers are looking for

# *Customer Service Evolution: Example*

## **Customer service improvements**

- Dramatically expanded accessibility
- Improved training and tools
- Focus on making it right for the customer
- Differentiated service for high value customers and proactive service for all customers

**Customer service phone number visible throughout our sites**

**Proactive service program launch**

**High value customer service program launch**

**Weekend support for NA customers**



# Customer Service Evolution: Impact

## Near-Term Impact

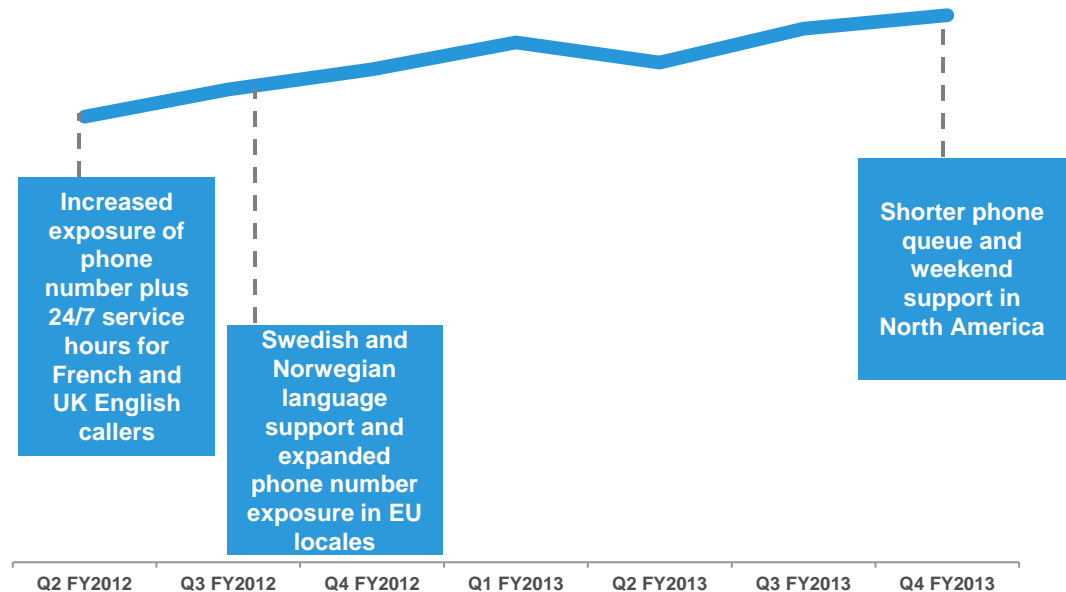
- ↑ Conversion
- ↑ Net Promoter Score
- ↑ Marketing expenses

## Intended Long-Term Impact

- ↑ Revenue
- ↑ Customer Retention

“It’s the way they treat customers, I’ve never seen it before...there is an incredible rapport that is developed from the minute they pick up the phone. They treat you like they care.”  
- Pamela K., Vistaprint Customer

## Overall Satisfaction Rate



# *LTV Advertising Evolution: Premise*

## From

Channel-by-channel investments that must **pay back within 12 months**

## To

Portfolio investments that take **a longer-term and holistic view** of external marketing to generate positive NPV and also build our brand

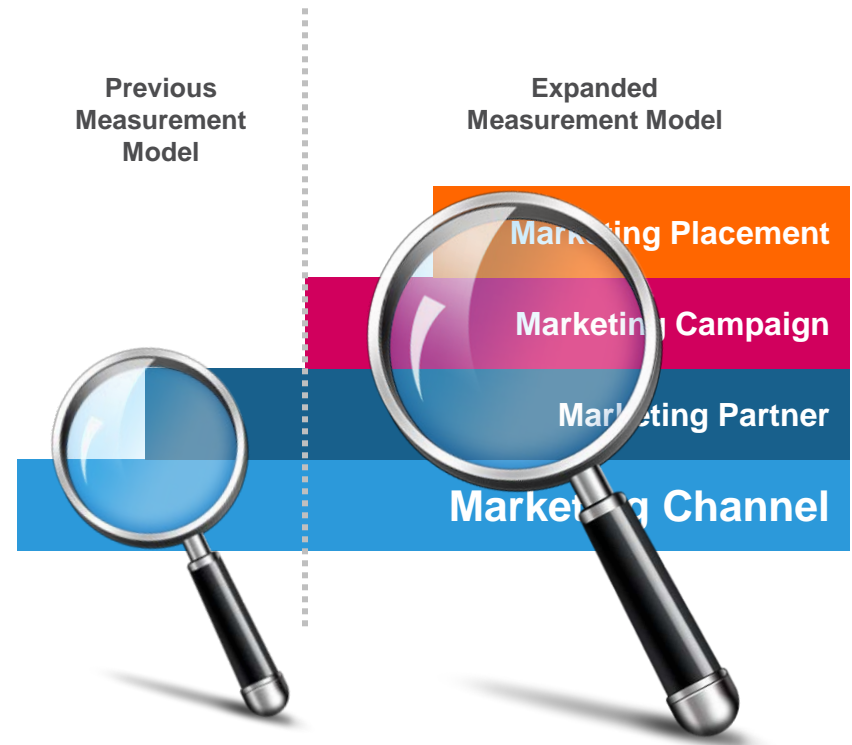
# Advertising Evolution: Examples

Open New Channels and Scale Globally



>30% of Vistaprint branded advertising spend in broadcast and online display

Improve Measurement



# Communication Evolution: Examples

A long journey to achieve full long-term value proposition...

So far:

- Improved tone/message in customer communications
- Educational approach to driving value through our offering
- Reducing impulse-driven promotions (e.g., same-day orders)

More to come...

I love to use Vistaprint postcards because they look nice, they look professional and people notice.  
LEA YADESKI, VISTAPRINT CUSTOMER SINCE 2006

When it comes to baked goods, Lea means business. That's why she relies on Vistaprint for her marketing needs.

**You probably don't even have time to read this.**

As a business owner, you're no stranger to long hours and even longer to-do lists. Luckily, you don't have to get it done. At Vistaprint, we'll get everything you need to market your business and reach more customers - all in one place.

Choose from hundreds of industry-specific design templates or upload your own artwork to create coordinating print and digital products. Using our simple tools, you can quickly give your business a professional look, without the professional price tag.

See how we can make your path to success a little simpler. Plus, enjoy these coupons.

**\$10 OFF**  
When you spend \$25  
Other valid on products only and subject to availability and other product rules. Savings applied to your cart at checkout. Redeem Now

**\$20 OFF**  
When you spend \$50  
Other valid on products only and subject to availability and other product rules. Savings applied to your cart at checkout. Redeem Now

Find other great ways to stand out.

Small Banners	Website
Stamps	Brochures
Marketing Services	Standard Postcards
T-shirts	Personal Labels
Small Card Stock Magnets	Custom Envelopes

100% SATISFACTION GUARANTEE Learn More

LOW PRICE GUARANTEE Learn More

3-DAY RUSH DELIVERY Learn More

UPLOAD YOUR LOGO Learn More

# LTV Advertising Evolution: Impact

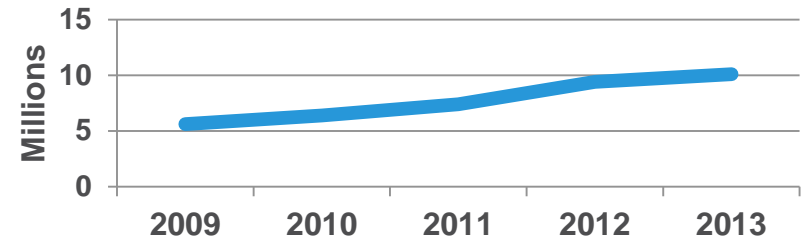
## Near-Term Impact

- ↑ Awareness
- ↑ New customer adds
- ↑ NPS
- ↑ COCA
- ↑ Advertising as % of revenue

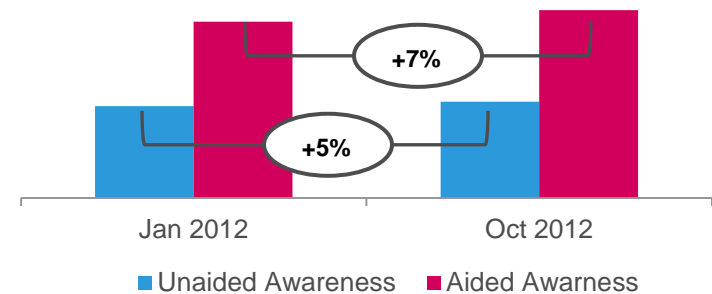
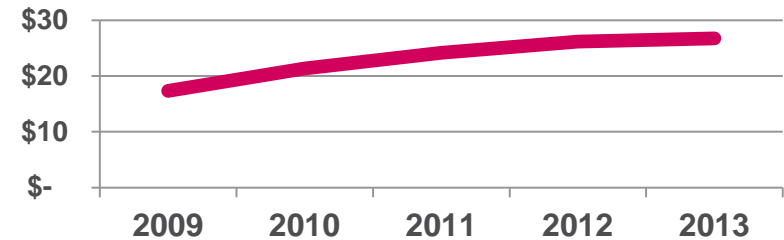
## Intended Long-Term Impact

- ↑ Consideration
- ↑ Revenue
- ↑ Advertising efficiency optimization
- ↑ Customer LTV

### New Customers



### COCA



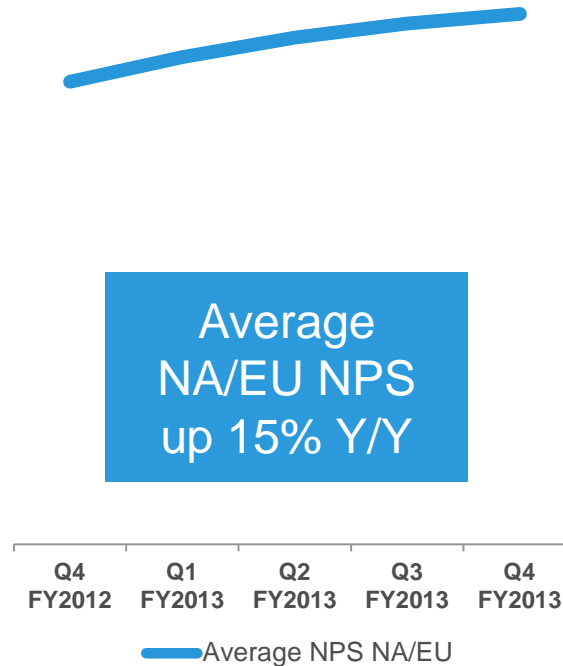
Source: North America brand research

# Combined Results of Efforts-to-Date

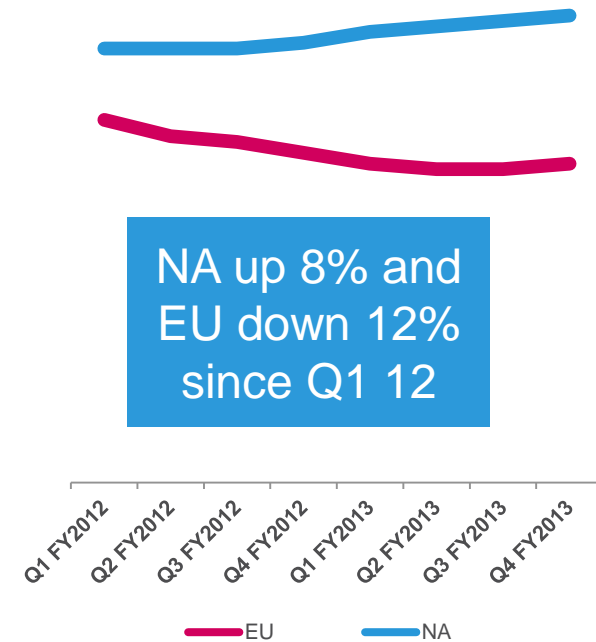
## North America

- ↑ Brand awareness
- ↑ New customers
- ↑ Net Promoter Score
- ↑ AOV
- ↓ Repeat orders
- ↑ Customer LTV

Average NPS NA/EU



TTM Average Bookings per Customer



## Europe

- ↑ Brand awareness
- ↑ New customers
- ↑ Net Promoter Score
- ↓ AOV
- ↓ Repeat orders
- ↓ Customer LTV

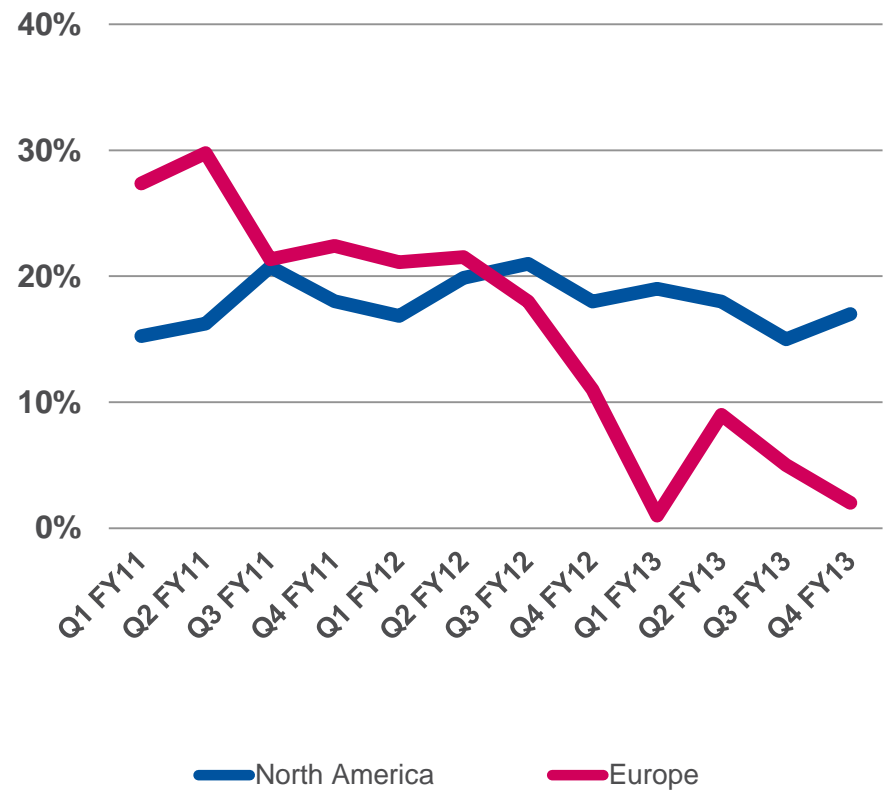
Average NA/EU NPS up 15% Y/Y

NA up 8% and EU down 12% since Q1 12

# Diverging Growth Rates in NA and EU

- We believe the strategy is working in North America
- European execution has been weaker:
  - Diagnosis in FY13
  - Complexity of 18 markets
  - Team less senior
  - Short-term bias

Y/Y Constant-Currency Organic Revenue Growth



# *Plans To Improve European Performance*

**Focus on top  
EU Markets**

**Leverage NA  
experience &  
approach**

**Process and  
systems focus**

**Adopt a  
longer-term  
view**



# *What's Next*

## **Continued evolution of:**

- Pricing clarity and simplicity – roll out globally over time
- More differentiated customer service support
- Continued product quality improvements
- Customer communications and user experience transformation
- Advertising optimization
- Europe foundation building

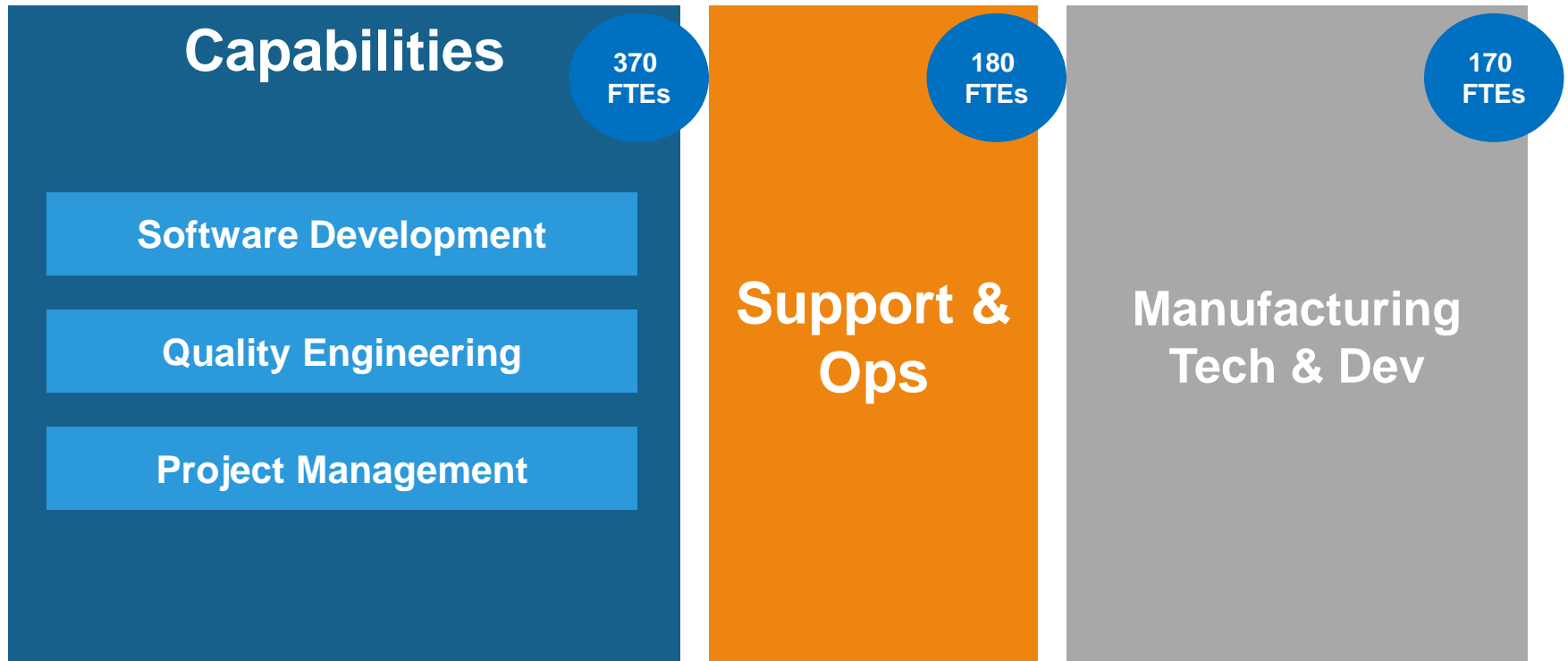
# *Technology & Development*

Don Nelson

Chief Information Officer

Vistaprint | Investor Day 2013

# Tech & Development Snapshot



**Improve  
Customer  
Experience**

**Develop New  
Products  
and Markets**

**More & Better  
Outcomes**

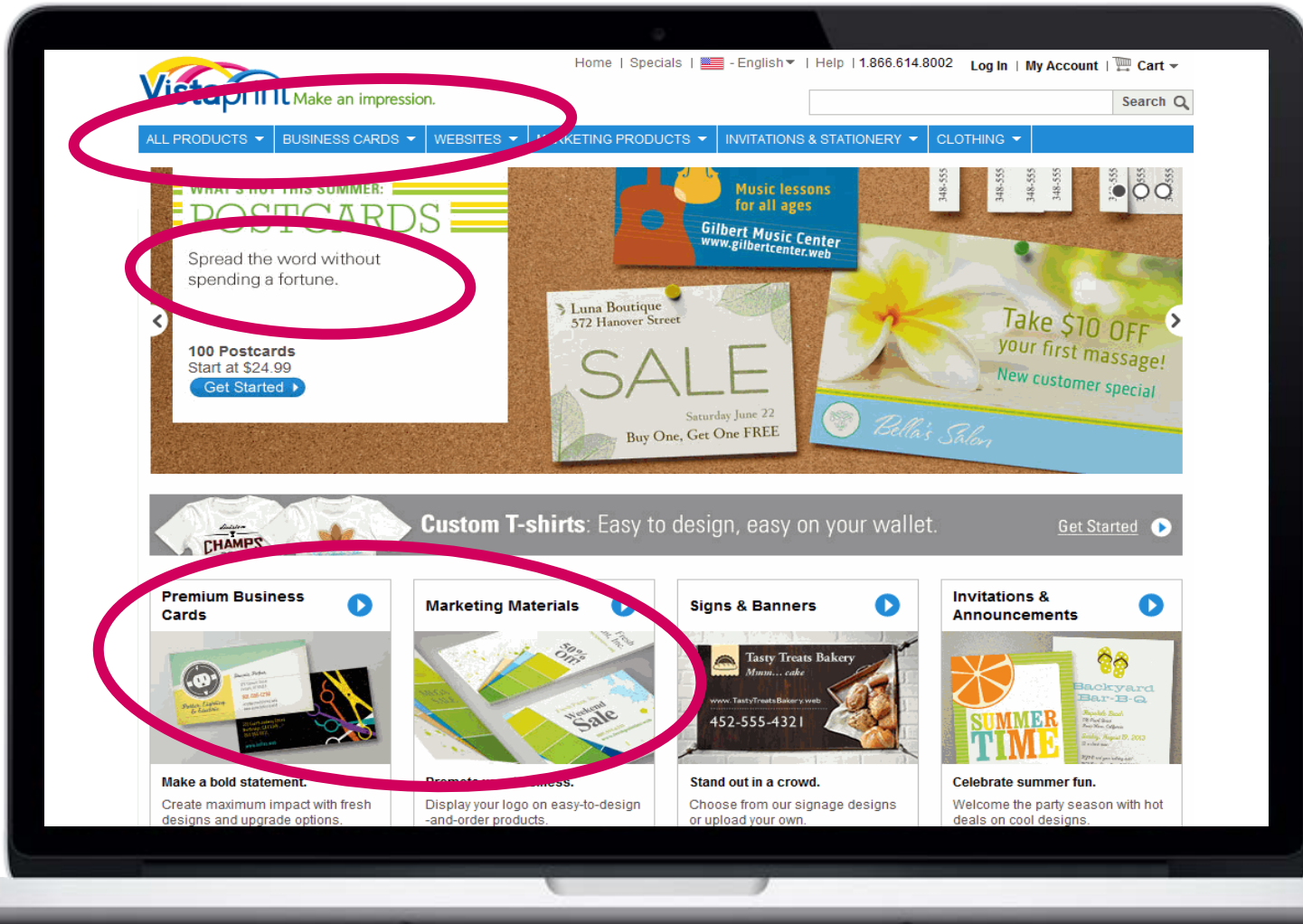
**Enabling Growth**

**Enable Strategic  
Priorities**

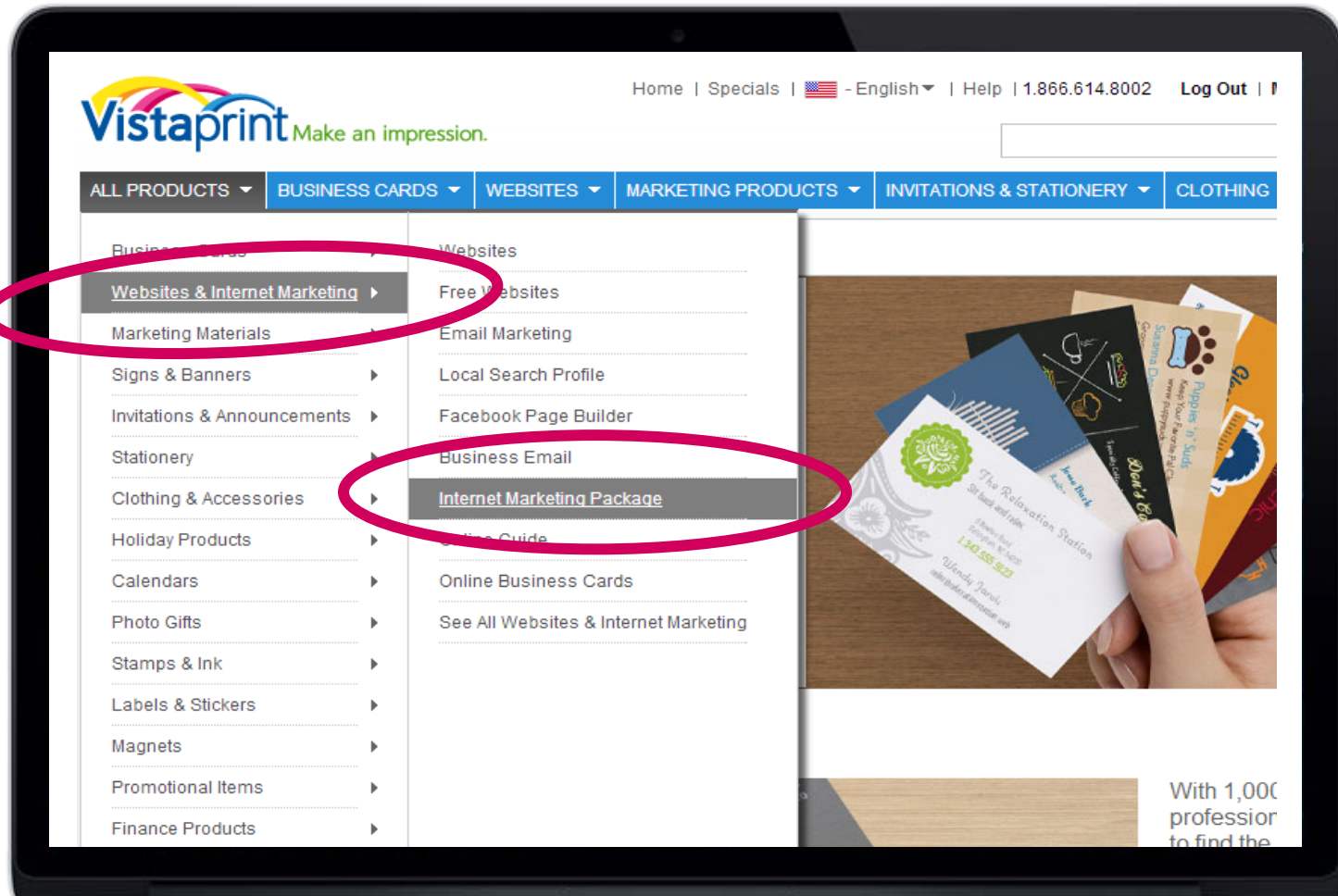
**Effective Delivery**

**Platform  
Development**

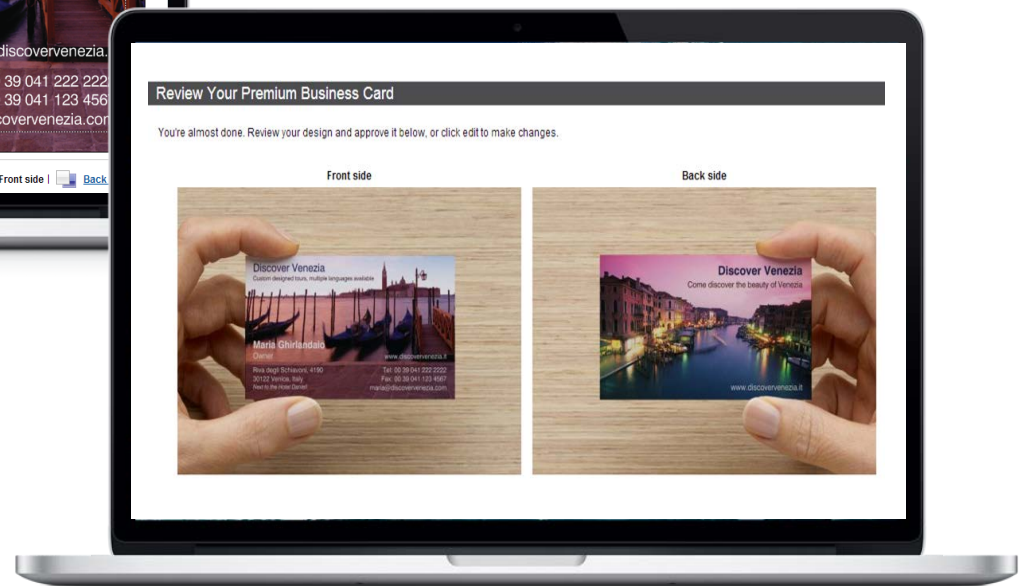
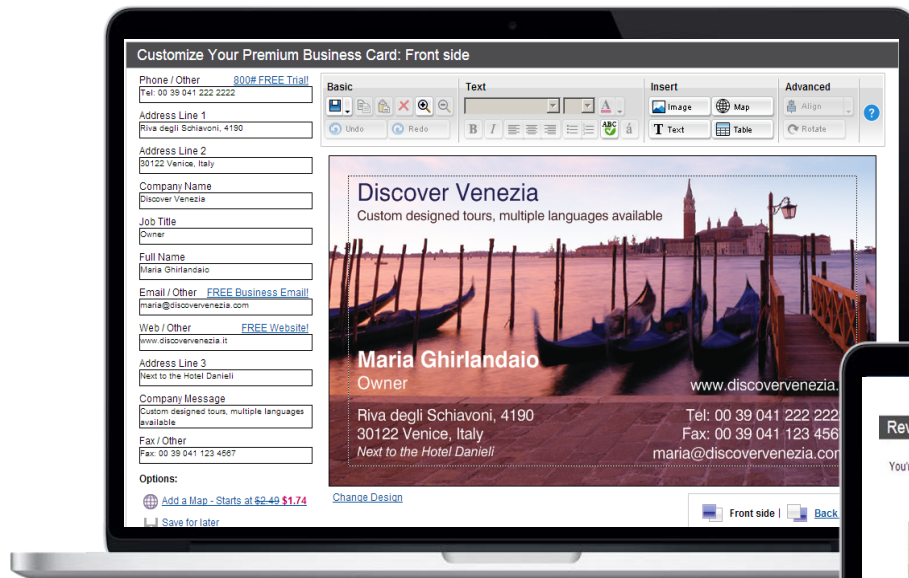
# Example – Site Redesign



# Example – Site Redesign



# Example – Scene Rendering

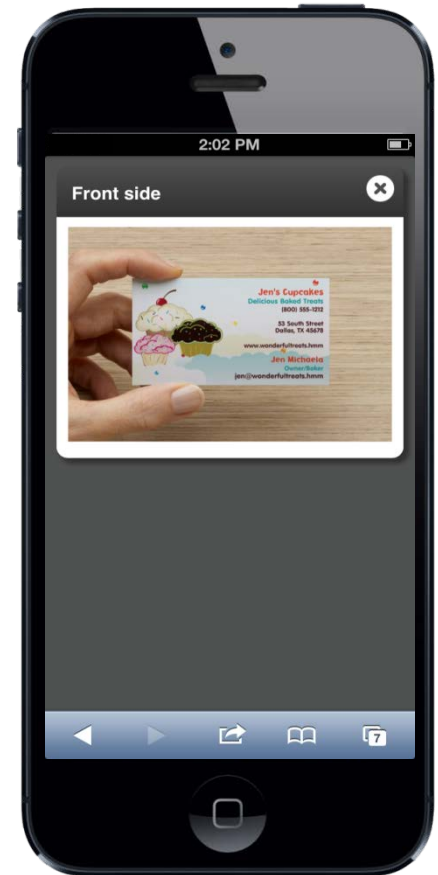
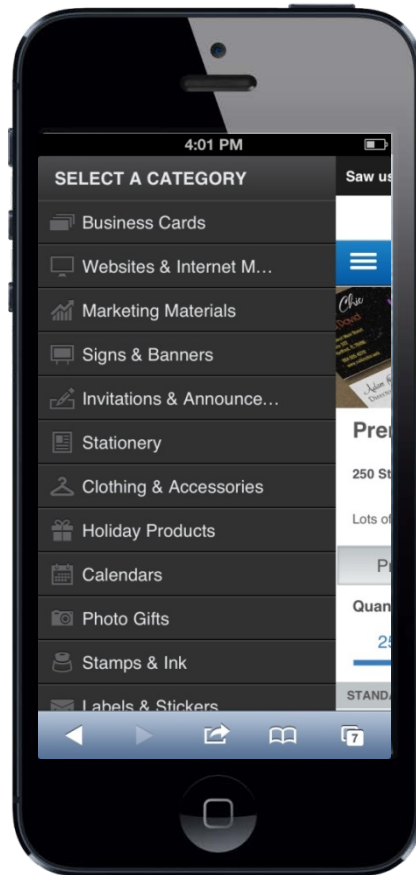
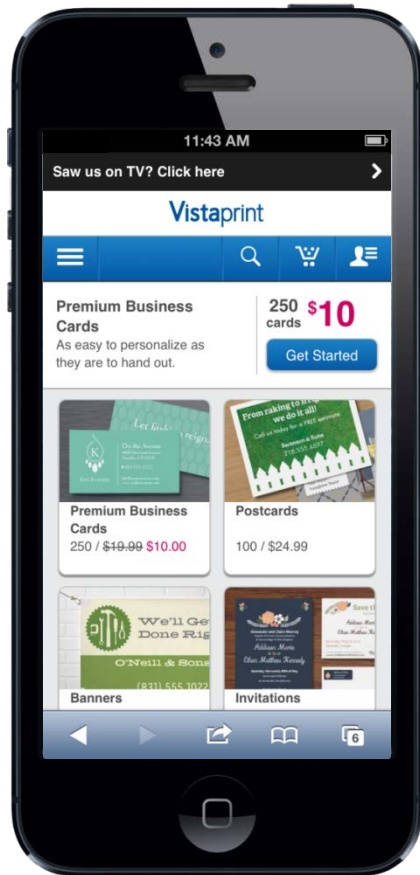


# Example – Scene Rendering





# Example – Mobile



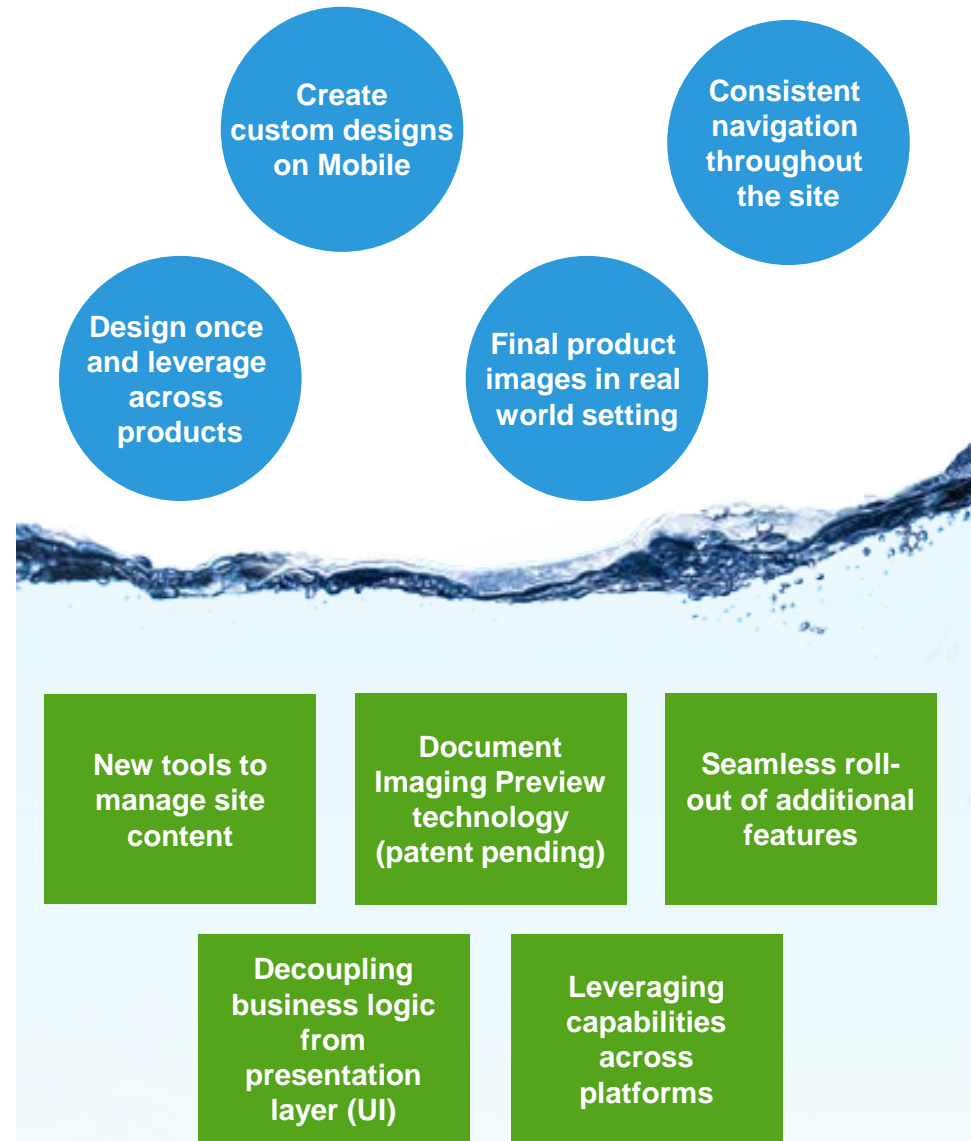
# Results

## Near-Term Impact

- ↑ Conversion
- ↑ Technology & Development expenses

## Intended Long-Term Impact

- ↑ Revenue
- ↑ Customer Retention
- ↑ Speed of features release
- ↓ Cost to develop new capabilities





## *What's next*

- Enablement of our proprietary technology in new markets, products or with new customers
- First components of code-base re-write delivered to enable faster development in the future
- Move to agile development from waterfall to remove scheduled releases, resulting in features in market faster
- Touch enabled user experiences
- Increased localization configurability

# *Manufacturing and Supply Chain (M+S)*

Hauke Hansen

Chief Manufacturing Officer

Vistaprint | Investor Day 2013

# Manufacturing + Supply Chain Snapshot



# Manufacturing + Supply Chain

- **Scope**

- Aspirations & strategy
- Investments and successes in:
  - *Industrialization*
  - *Efficiency*
  - *Quality*
  - *Logistics*
  - *New Growth Initiatives*
- Results and what's next

# *Vistaprint has achieved high levels of manufacturing volume and performance*

**>5.5 billion** business cards produced per year



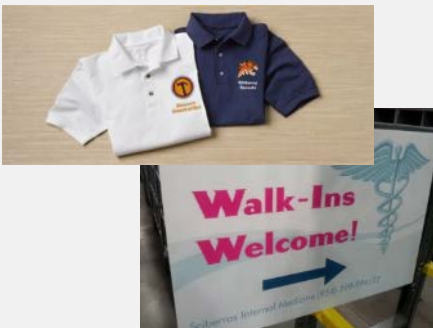
**<10 sec** manual labor per business card pack



**>90,000** orders shipped per average day



**>4.2 million** signs and **5.6 million** garments per year



**<2 minutes** direct labor per order shipped



**>\$1 billion** output/yr from **>1 million ft<sup>2</sup>** of plant space



# Manufacturing + Supply Chain

- Scope overview
- **Aspirations & strategy**
- Investments and successes in:
  - *Industrialization*
  - *Efficiency*
  - *Quality*
  - *Logistics*
  - *New Growth Initiatives*
- Results and what's next



# *Aspiration*

Be the **best mass customization manufacturer in the world**

Entering 3<sup>rd</sup> year of comprehensive **5-year manufacturing & supply chain strategy & roadmap**

- ✓ Clear vision of the future state
- ✓ High financial and performance aspiration
- ✓ Build world class capabilities needed to get there

**Objectives:** Step function improvements in ...

- ✓ On-time, to-spec delivery to the customer
- ✓ Quality attributes as valued by the customer
- ✓ Unit manufacturing costs
- ✓ Click-to-doorstep throughput time

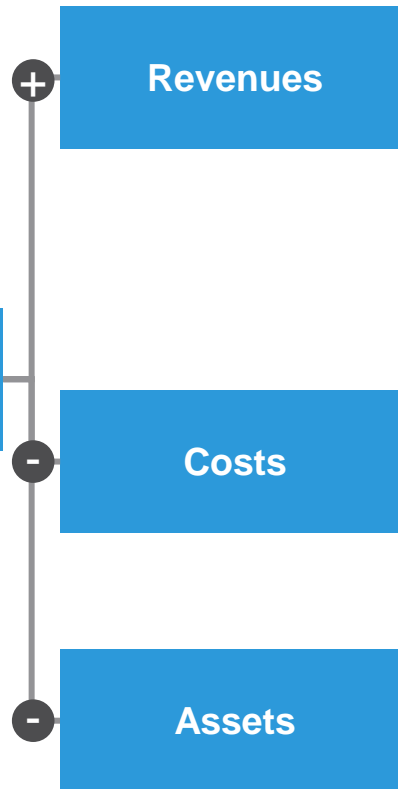
# We manage our operations to maximize long term value for our customers and shareholders

## Value based production management

- Manufacturing is more than a cost center → incentivized to optimize **Economic Value Add (EVA/PVA)**
- Managing project portfolio based on **NPV and ROI** to optimize value creation

Production Value Add (PVA)

### Business Levers



### Improvement Drivers

- Improve quality
- Improve on-time delivery
- Develop and launch leading products

Reduce production time

- Improve productivity
- Reduce material and logistics costs
- Reduce fixed costs

- Improve asset productivity
- Reduce inventory

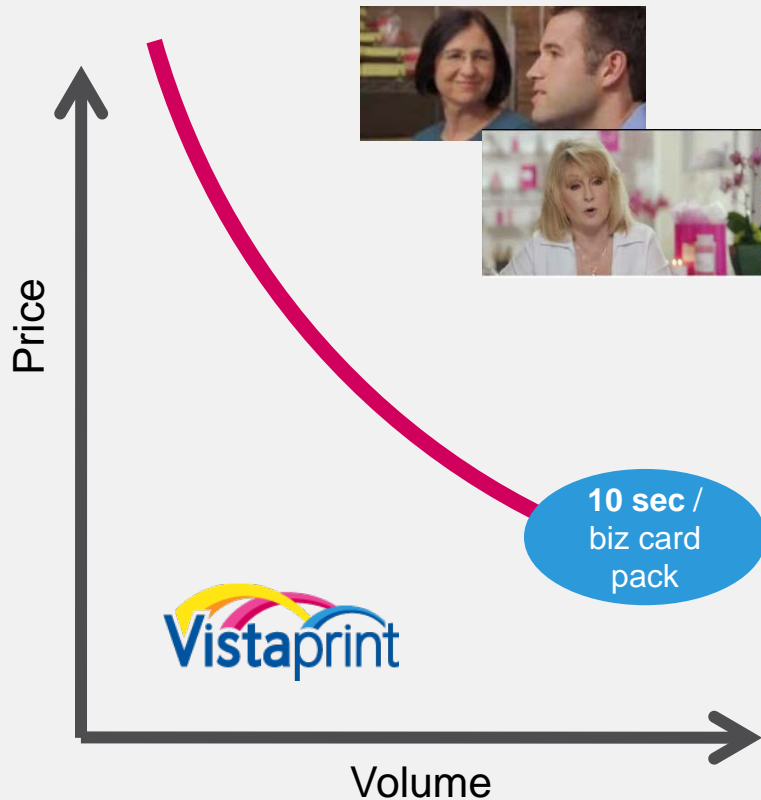
× Cost of capital (WACC)

# *Manufacturing + Supply Chain*

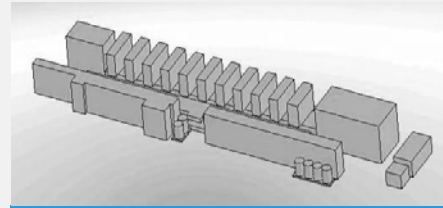
- Scope overview
- Aspirations & strategy
- **Investments and successes in:**
  - *Industrialization*
  - *Efficiency*
  - *Quality*
  - *Logistics*
  - *New Growth Initiatives*
- Results and what's next

# Industrialization

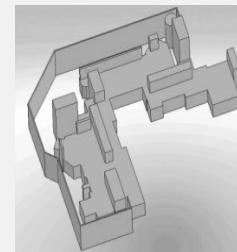
Collect demand from **millions of small businesses & consumers...**



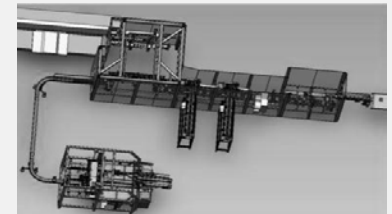
... then give these customers access to **industrial & proprietary solutions** leveraging scale to offer an unbeatable price



**Level 1 Investment:** Make use of best in class equipment in new ways (e.g. ultra violet (UV) ink)



**Level 2 Investment:** Integrate equipment in new ways to drive efficiencies (e.g. eliminate waiting)

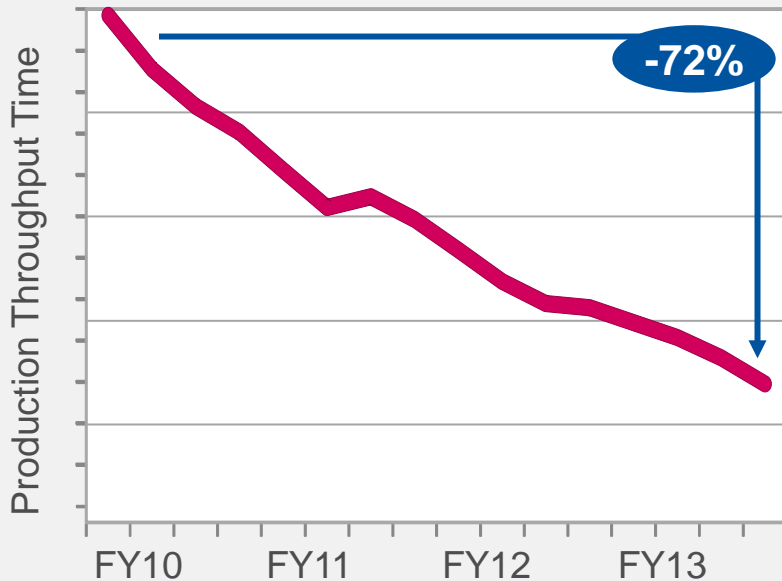


**Level 3 Investment:** Custom tailored engineering (e.g., automated packaging)

# Efficiency

Cut out operational waste to enhance production value add through

## Production time reduction



## Increase output

Driving 40% higher output from same footprint

## Enhance productivity

>30% plant labor productivity gains in past 3 years



## Improve asset utilization

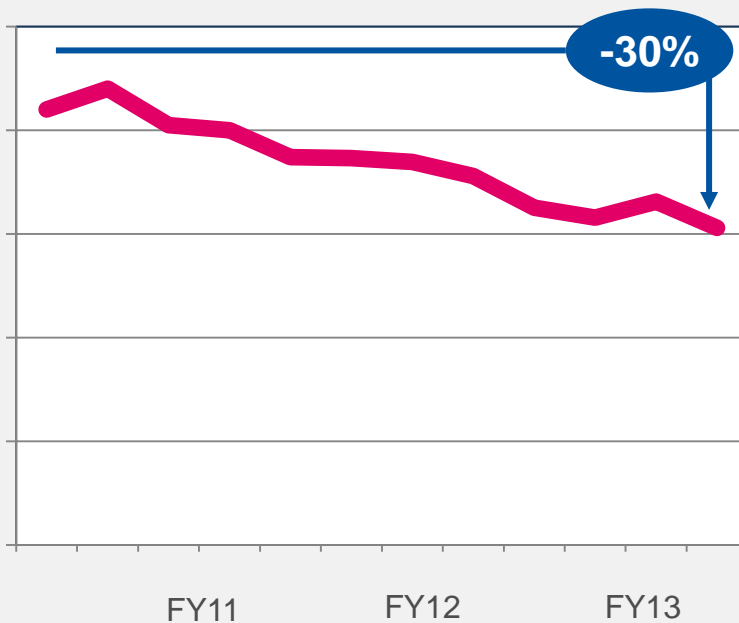
Plant expansion postponed by 3 yrs by reducing inventory & space requirements

# Quality

## Increased Customer Satisfaction

Improved survey scores and significant reductions in customer complaints for quality and delivery

### % of Orders with Quality Complaints



## Quality Improvements

Launch of quality system and customer focused upgrades of packaging and substrates for major products

### Enhanced color vibrancy



### Improved packaging



High quality substrate for business cards

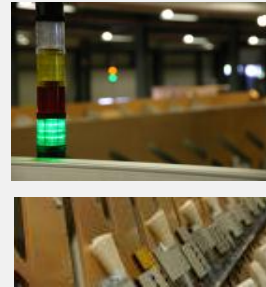
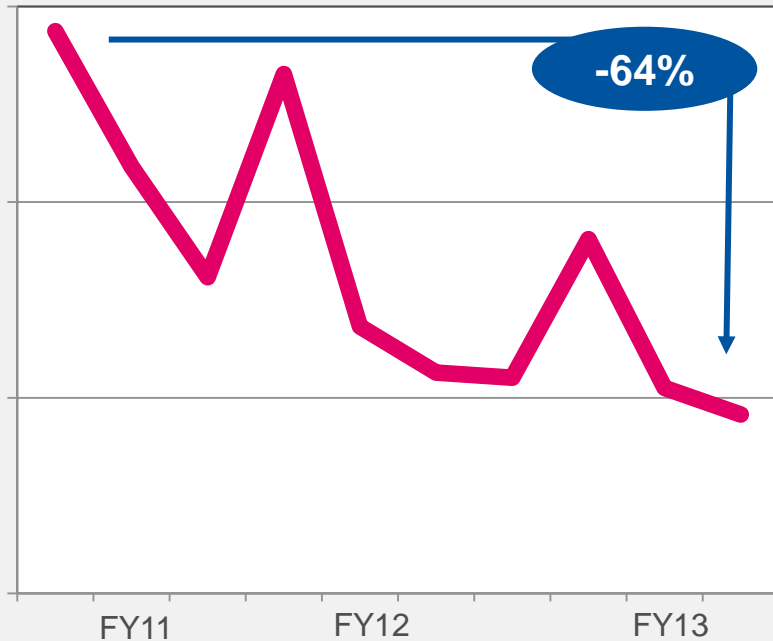


High quality substrate for T-shirts

# Logistics

Improved selection of carriers, higher reliability, and increased use of tracking leading to significant decrease in

## Late Delivery



## Inhouse pre-sortation

Significant investments to inhouse pre-sort to increase reliability & reduce logistics cost

**Carrier selection & tracking**  
Continuous enhancement of carrier services & selection. Improved trackability



# Supporting Vistaprint's Growth Initiatives

## New product introductions

- Launched 10 new promo products simultaneously; 1.5 Million units sold in first 6 months
- Record concept-to-launch time (< 3 months) for iPhone covers. 160,000 units sold in 1<sup>st</sup> 5 weeks



## Albumprinter integration

- Reduced production time by 50% in 6 months
- Synergies and cooperation helped improve gross margin

## New plant in India

- New market of >1 billion people, revenue doubling every 6 weeks
- Concept to first production in 7 months





# *Manufacturing + Supply Chain*

- Scope overview
- Aspirations & strategy
- Investments and successes in:
  - *Industrialization*
  - *Proprietary Platforms*
  - *Efficiency*
  - *Quality*
  - *Logistics*

- **Results and what's next**

# Results

## Near-term and Long-Term Impact

- ↑ Quality
- ↑ Gross margin
- ↑ On-time delivery
- ↑ Systematic efficiency & quality gains
- ↑ Global supply chain management



## *What's next*

- Great manufacturing and engineering talent committed to go much further
- Multi-year strategy to become the top mass-customization manufacturing organization in the world, which will deliver further:
  - On-time, to spec delivery to the customer
  - Quality attributes as valued by the customer
  - Unit manufacturing cost savings
  - Click-to-doorstep throughput time reductions
  - Manufacturing-enabled growth opportunities

*Japan, India & China*

**Mark Inkster**

Senior Vice President, Most of World

**Vistaprint** | Investor Day 2013



**There are more people living inside  
this circle than outside of it.**

# *We believe we can win in Asia*

Intensive CEO and senior executive involvement over the past three years

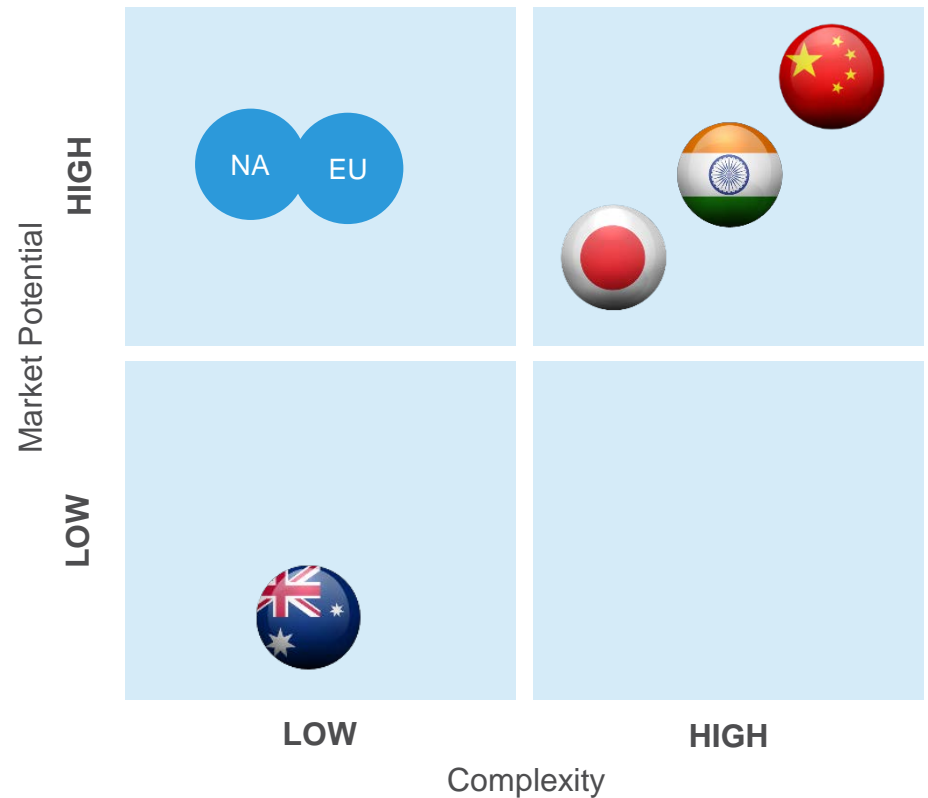
Mass customization applies

- Core manufacturing capabilities
- Similar products, albeit with higher quality attributes
- Highly relevant and competitive software and production technologies
- We can be cost and quality competitive

Fragmentation presents opportunities for establishing a leadership position

# *But we recognize significant differences*

- Heterogeneity: each market is very different from each other, and each very different from Europe and North America
  - Culture
  - Infrastructure
  - E-commerce
  - Business practices
  - Economic development
- Product offering and brand positioning around quality, service
  - Price competitive, but not competing on lowest price
- Startup sized businesses and need for entrepreneurial mindset and freedom to move quickly, experiment, and iterate rapidly



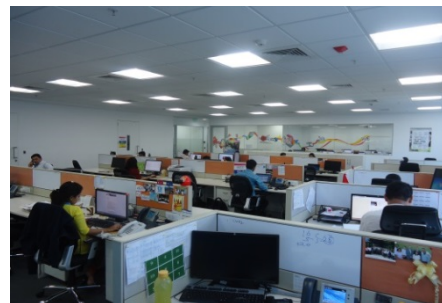
# *How we expect to win*

- Take a multi-decade perspective in each market
- Be domestic
  - Designed from the start for deep localization of products, service levels, content, management teams
  - Decentralize: vast majority of resources in-country
  - Seek strong domestic leadership teams
- Make substantial investments
  - Financial, executive bandwidth, leadership development
- Custom approach for each
  - Encourage business model innovation
- Leverage VP technology, manufacturing know how, financing



# India

- 2011: Acquired assets & recruited the leader of a startup Indian competitor
- Domestic manufacturing, service, marketing, product content teams
  - Over 50 employees
  - Local product content already constituting over 50% of orders
- Market leading quality at competitive cost structure
- Still startup mode:
  - September 2012 launch
  - Sub \$0.5 million FY13 revenues





# Japan

- Highly sophisticated e-commerce market and opportunity
- High customer expectations on quality
- Small but growing FY13 business
  - Revenue: approx. \$8 million
  - 15% growth
- Despite
  - No domestic physical presence
  - Production, marketing and customer service in Australia
  - Only basic localization
- On-going strategic analysis and planning as to how to accelerate this business

The screenshot shows the Vistaprint Japan website interface. At the top, there is a navigation bar with links for Home, Special Prices, Order History, Contact Us (0120-952-590), Login, Account, and Shopping Cart. Below this is a search bar and a menu with categories like All Products, Brand, Home Page Creation, Marketing Products, Invitations/Business Cards, and Apparel/Accessories. A prominent banner advertises a New Year promotion: 'New Year Promotion - 2013/07/13' with a 50% discount on orders and up to 25% off on popular items. Below the banner, there is a featured product section for 'Unified Image, Effectively Sold' (統一イメージで効果的に売り込む), showing business cards and a price of ¥1,350 for 50 cards. A carousel below this features 'Design to match your partner!' (相手に合わせてデザインしよう!) with examples of premium business cards, large posters, t-shirts, and promotional materials.

# Significant Financial Investment

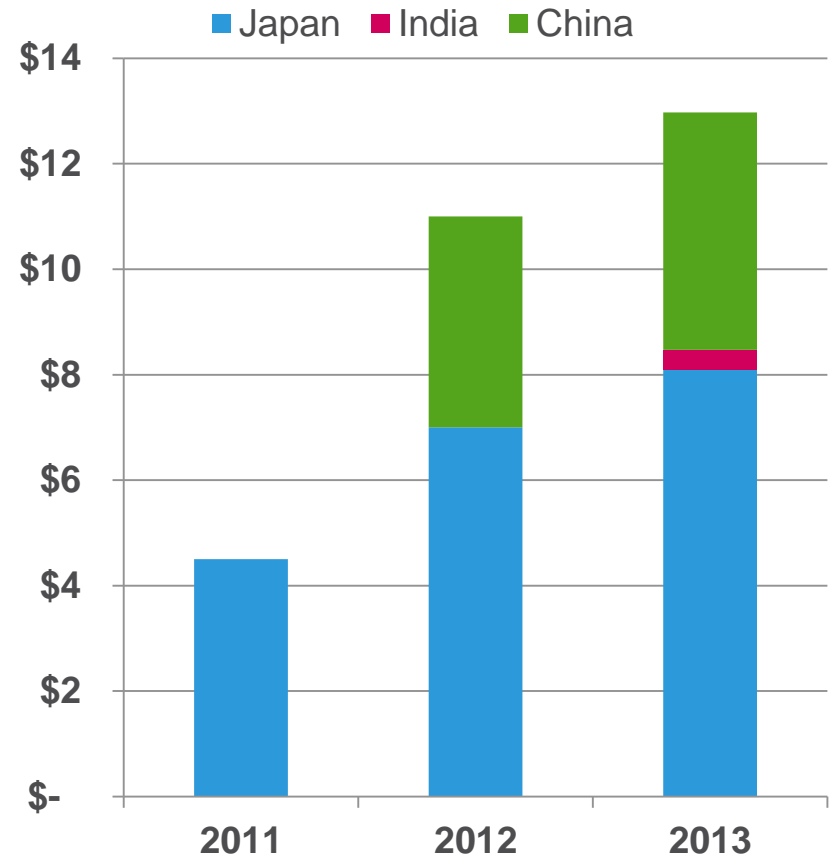
USD Million	FY13	FY14	FY15-17	FY18
Reduction to net income	\$15	\$18 to \$20	Continued investment	Approximate break even
Equity investments	\$13	Dependent upon opportunity; likely to exceed \$50 million		

- Funding our Asian markets as “well funded VC backed startup companies”
- Near term objectives are building capabilities and market share
- Do not expect to break even for approximately five years
- Seek to create enterprise value, long term, well in excess of cumulative investment amounts

# Growth Opportunity

- Seeking to build a portfolio of Asian-market leaders
- Still small today
  - FY13 \$13 million USD
  - Of which China not consolidated into VP accounts
- Targeting high growth rates for the coming five-plus years
  - No public “revenue target”
  - We seek, by 2022, to build a major and profitable business that remains high growth into the next decade

## Pro-forma Revenues \*



\* Pro forma revenues include 100% of revenue at Chinese minority investment.

# Summary

- Asia is key to our long-term growth
- Over time we believe it will contribute meaningful:
  - Revenue
  - Profit
  - Enterprise value
- Long-term play and investment

# *Long-Term Financial Model*

Ernst Teunissen

EVP and Chief Financial Officer

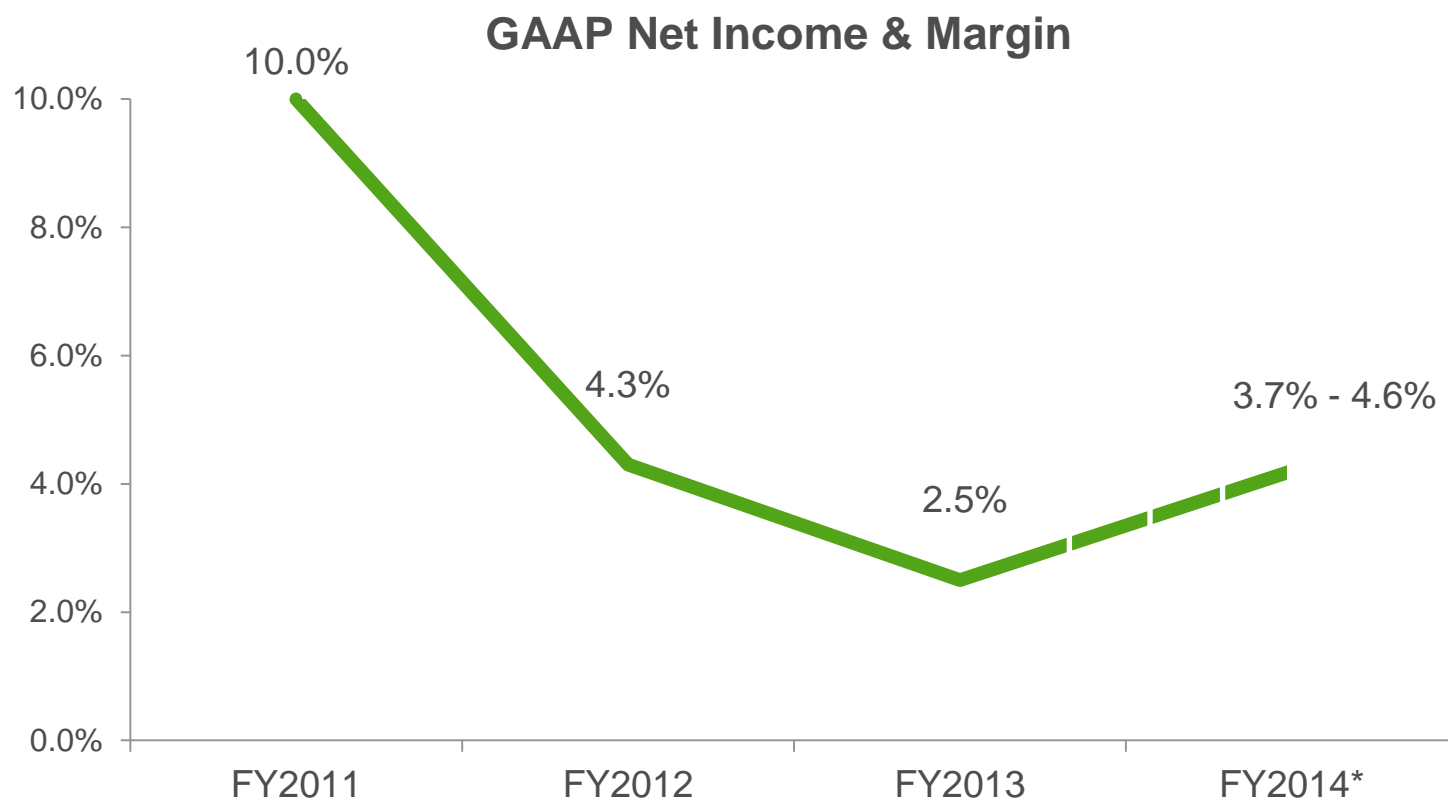
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# *Long-Term Financial Model: Introduction*

- Two years ago we introduced the 5 year financial targets that accompanied our strategy
- Our revenue trajectory in Europe has set us back versus these targets
- EPS has benefited from significant share repurchase activities (25% of our share count)
- We remain committed to margin expansion, which will drive EPS growth over the coming years



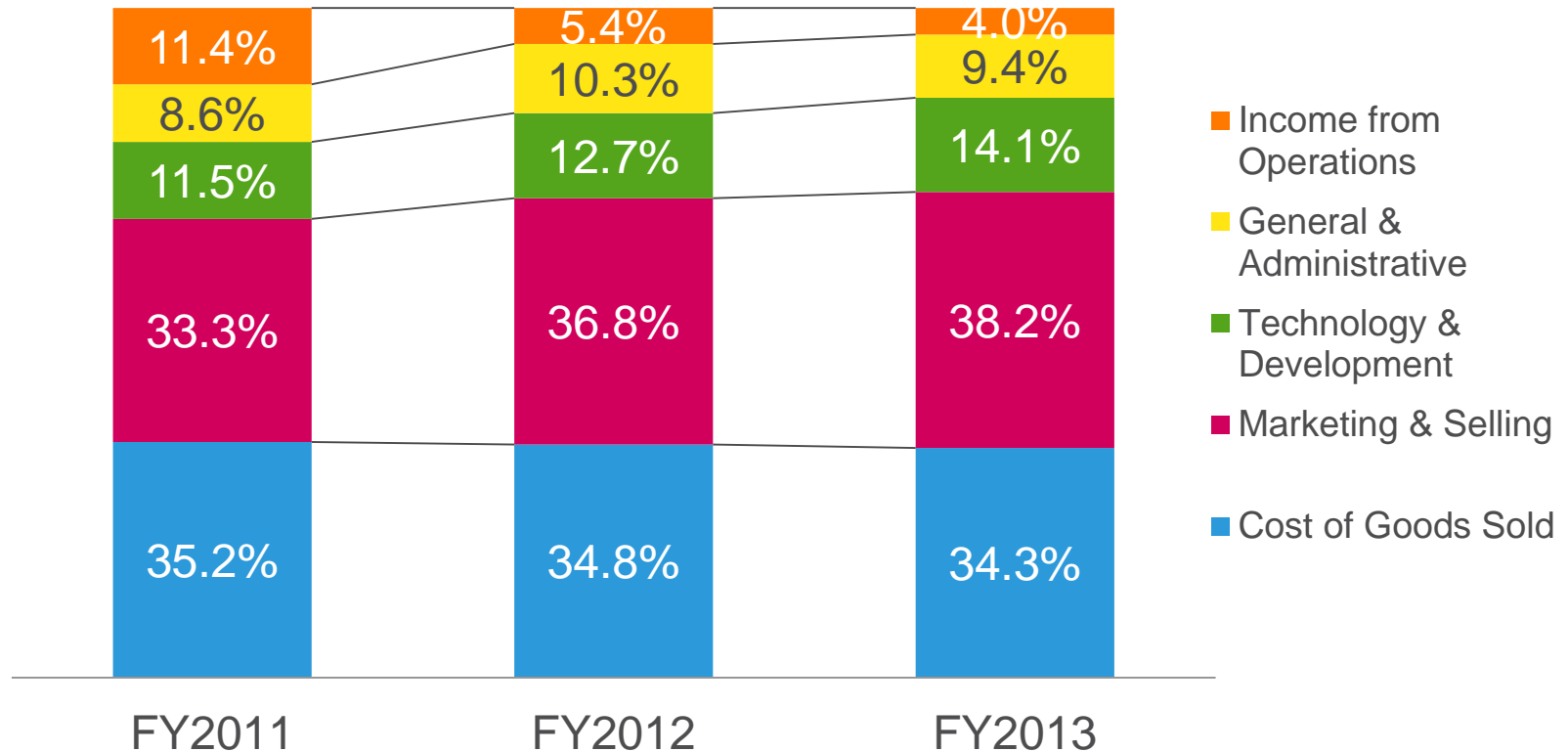
# Net Income Margin Development



*\*Implied net income based on EPS and share count guidance at Aug. 1, 2013; implied net margin at midpoint of revenue.*

# P&L Drivers: Significant investments in FY12 and FY13

P&L line items as a percent of revenue



# P&L Targets FY14

Select P&L Line Items (as % of revenue)	FY2013 Actual	FY2014 Midpoint Guidance	Comments
<b>Gross Margin</b>	65.7%	Neutral to higher	Increased manufacturing productivity, partially offset by investments in product quality
<b>Advertising</b>	24.6%	Lower	Higher efficiency in Europe
<b>Operating Expense</b>	35.1%	Lower	Slowing down headcount growth, full year impact of last year's hiring
<b>Net Income</b>	2.5%	~4.2%	

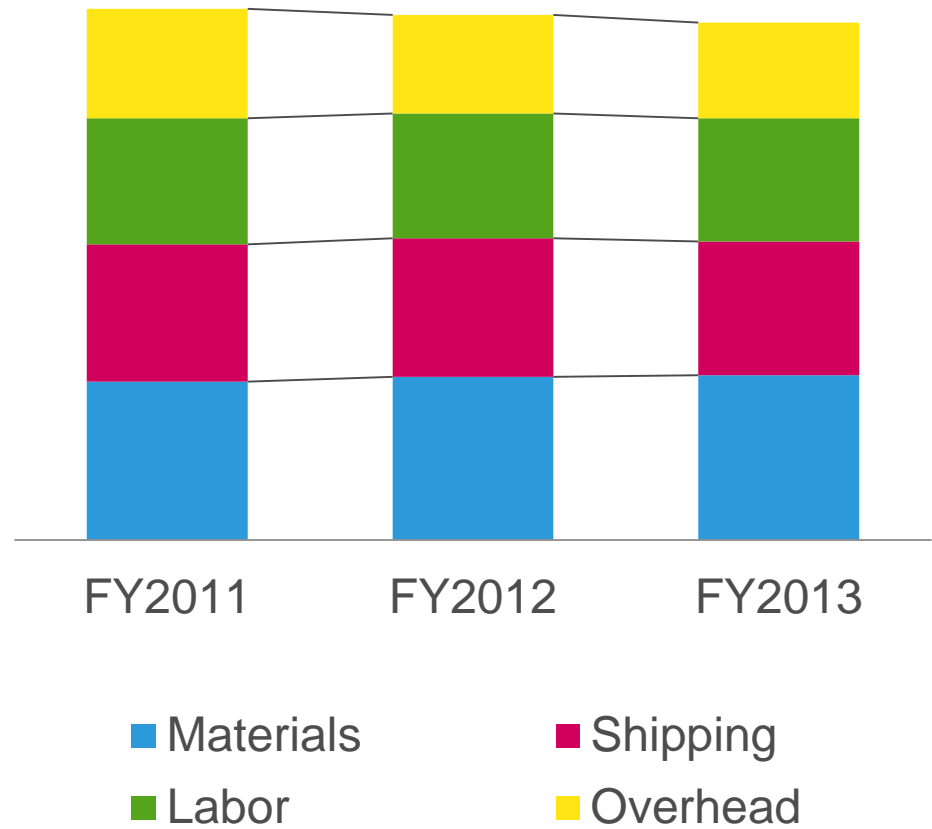
# P&L Drivers: Future Outlook

<b>P&amp;L Driver</b>	<b>Long term trajectory/opportunity</b>
<b>Core Gross Margin</b>	<b>Improve manufacturing efficiency, some pricing opportunity, reduced by investments in higher quality and service</b>
<b>Core Advertising</b>	<b>Reduce advertising as % of revenue when retention improves and brand strength improves</b>
<b>Core Tech &amp; Dev</b>	<b>Over long term expect leverage; more if growth declines further</b>
<b>Other Core Opex</b>	<b>Expect leverage going forward</b>
<b>New Growth Areas (Asia, Webs, Albumprinter, etc.)</b>	<b>Collectively dilutive for next several years; expect to contribute to OI thereafter</b>
<b>Tax</b>	<b>Expect ETR to reduce again</b>
<b>Net Income</b>	<b>Expect GAAP Net Income margin to grow to 10% or better</b>

# Gross Margin Drivers

- Opportunity for pricing optimization
- Gaining efficiencies in COGS, even as we are investing in the quality of our products and delivering service improvements
- Opportunities for further improvement across all COGS elements

COGS Components as a Percentage of Revenue

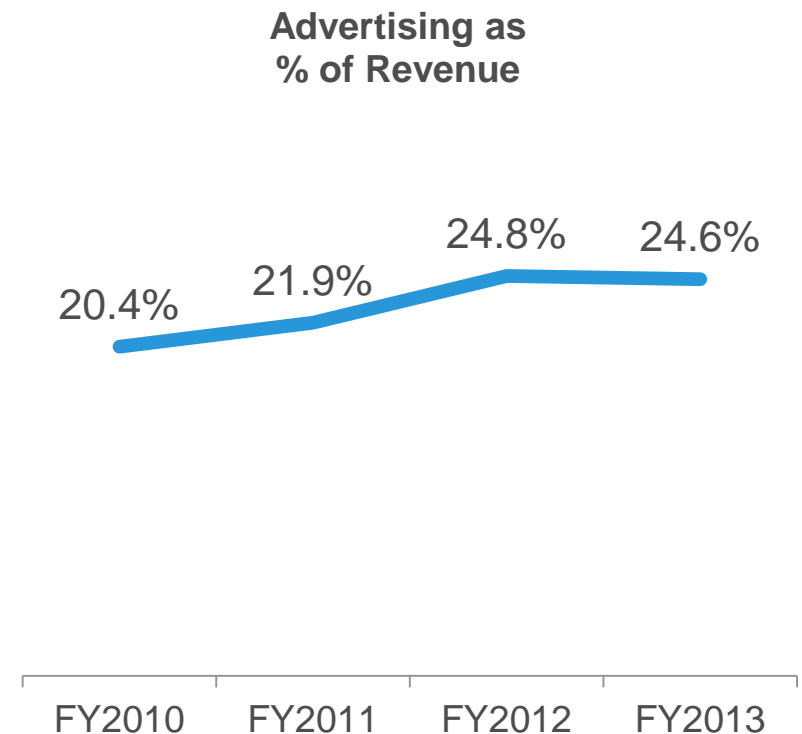


# Advertising as a Percent of Revenue Drivers

- Increase revenue per customer
- Improved mix of retained and new customers
- Continued focus on advertising effectiveness
- Improve brand awareness/brand image



Potential for lower advertising as % of revenue



# Other Operating Expense as a Percent of Revenue Drivers

## Technology and Development

- Will continue to invest to drive customer value, efficiency gains and competitive advantage in other parts of business
- T&D as % of revenue should moderate down as growth slows over time

## Fixed Marketing

- Continued investment in customer service, product and channel development
- Fixed marketing as % of revenue leverage over time

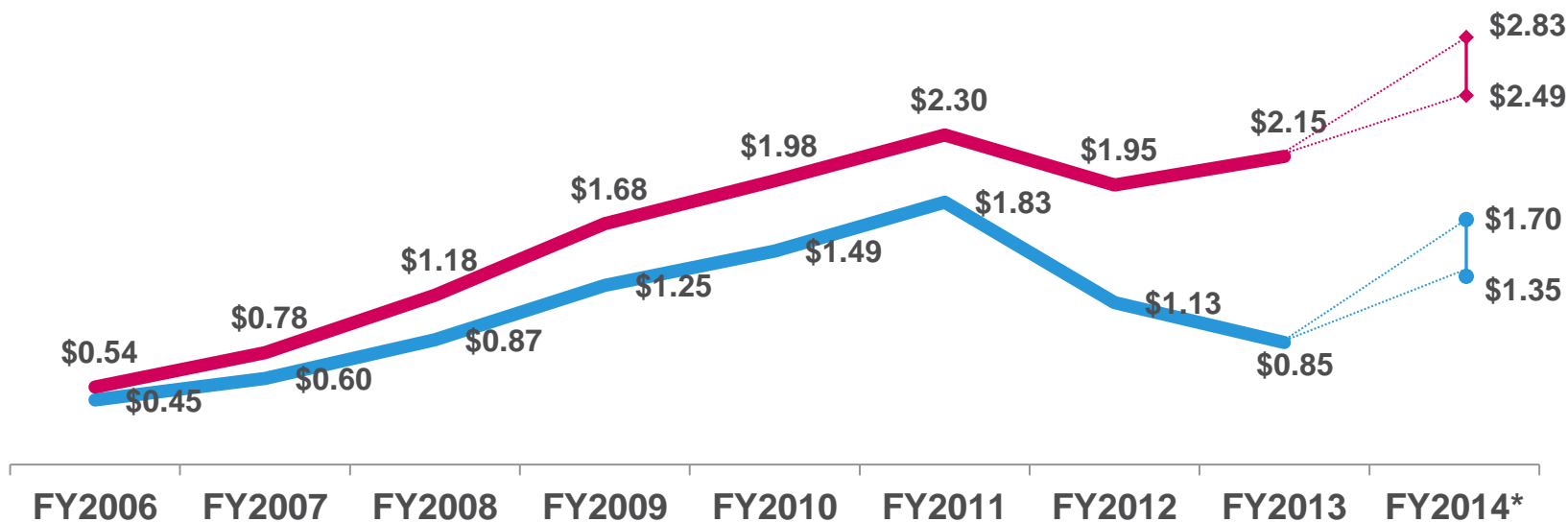
## G&A

- After two years of resource ramp, expect scale leverage as revenue continues to grow
- G&A as % of revenue leverage over time

# EPS

Projected growth of EPS in FY15-18 driven by revenue growth and margin expansion

- GAAP Net Income per Share
- Non-GAAP Adjusted Net Income per Share

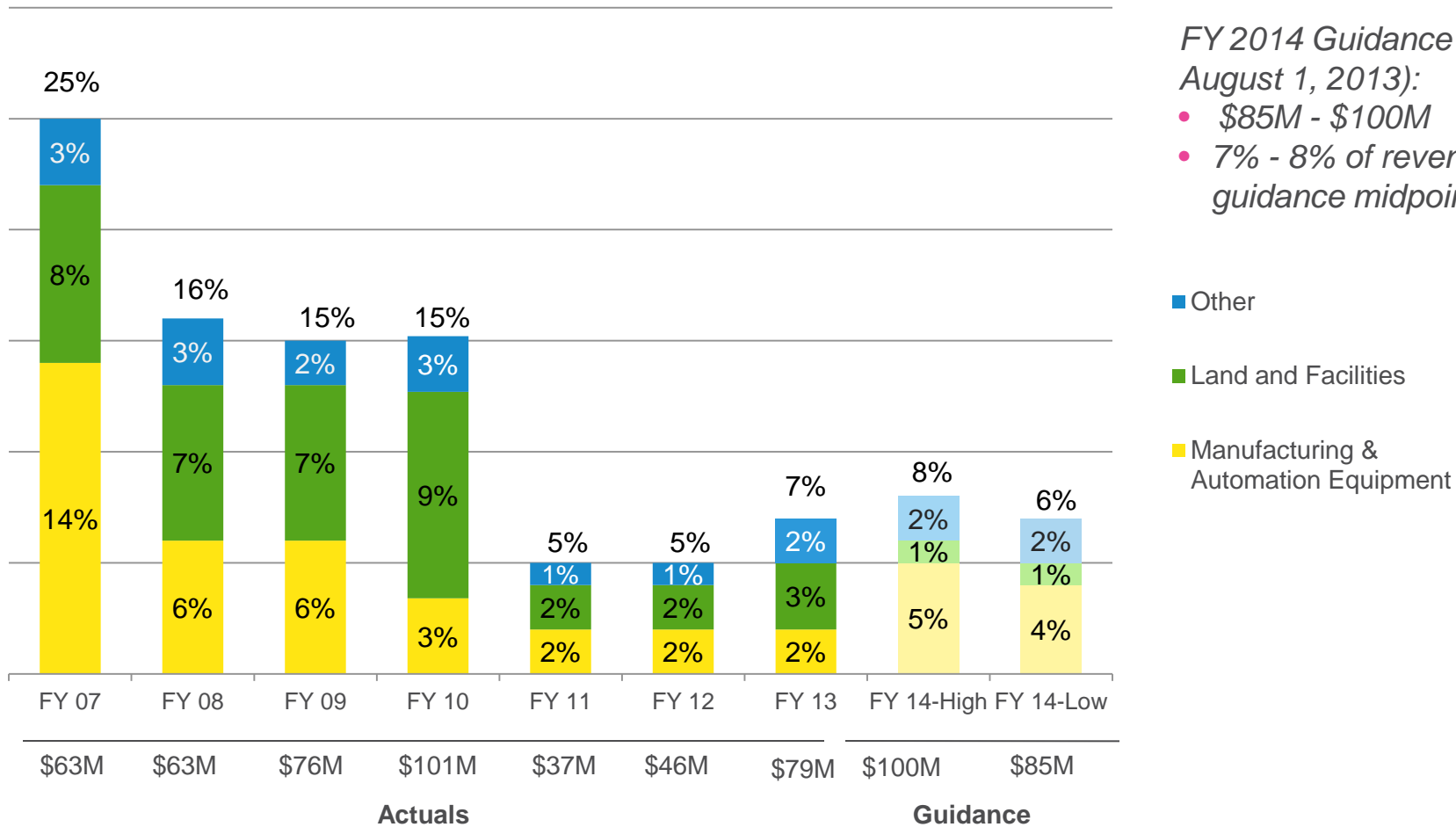


\*Earnings per share guidance for fiscal year 2014 provided on August 1, 2013.



# Capital Expenditures

Expressed as percent of revenue



# Share Repurchases

	FY10	FY11	FY12	FY13
Shares outstanding (MM)	43.9	43.1	34.1	32.8
Shares purchased (MM)	-	1.3	9.9	1.9
Average cost per share	-	\$42.91	\$31.28	\$34.77
Total purchase spend (\$MM)	-	\$56.9	\$309.7	\$64.4
Cumulative Accretion to GAAP EPS*	-	\$0.03	\$0.17	\$0.24

**We have reduced our share count by 25% since the end of FY10**

*\*Excludes share repurchase-related interest expenses.*



# *Summary*

- We continue to have multiple levers for driving long-term profit and cash flow growth
- We are focused on driving profit margin growth starting in FY14 and continuing over a multi-year period
- We believe the investment options we have created by leveraging our balance sheet are creating long-term shareholder value

# *Summary*

Robert Keane

President and Chief Executive Officer

Vistaprint | Investor Day 2013

## *We Take a Long-Term View*

**Seek to build an enduring business institution**

**Believe that long-term shareholder value is driven by creating customer value and competitive advantages which will, in turn and over the long term, drive cash flow per share**

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