

CIMPRESS INVESTOR DAY 2017

August 8, 2017

 **cimpres**
INVESTOR DAY 2017

Agenda

August 8, 2017 8:30 am – 11:30 am

Overview

Robert Keane, *President and Chief Executive Officer*

Vistaprint

Trynka Shineman, *EVP and Chief Executive Officer, Vistaprint*

Upload & Print

Kees Arends, *EVP and President, Upload & Print Businesses*

Coffee Break

National Pen

Peter Kelly, *EVP and Chief Executive Officer, National Pen*

Mass Customization Platform

Maarten Wensveen, *SVP and Chief Technology Officer*

Capital Allocation

Sean Quinn, *EVP and Chief Financial Officer*

Q&A Session

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Housekeeping

Restrooms are located outside the room, down the hall to your left

Please silence all mobile devices

Please check out our product displays in the lobby during the break and after the event

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Safe Harbor Statement

The investor day presentations and accompanying commentary contain statements about our future expectations, plans, and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, including but not limited to our expectations for the growth and development of our business, including our individual business units, expectations about our future financial results, savings, and expenses, the development and success of our mass customization platform, our expected future investments in our business and the anticipated impacts of those investments, the success of our strategy and the decentralization of our operations, and the prospects of the mass customization market and our opportunities. Forward-looking projections and expectations are inherently uncertain, are based on assumptions and judgments by management, and may turn out to be wrong. Our actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts are based; our failure to execute our strategy; our inability to make the investments in our business that we plan to make; our failure to realize expected returns on our capital allocation decisions; our failure to manage the growth and complexity of our decentralized business and operations; our ability to realize the anticipated benefits of the decentralization of our operations; loss of key personnel; our failure to reposition our Vistaprint brand and to promote and strengthen all of our brands; our failure to develop our mass customization platform or to realize the anticipated benefits of such a platform; our failure to attract new customers and retain our current customers; the failure of the businesses we acquire or invest in to perform as expected; the willingness of purchasers of customized products and services to shop online; unanticipated changes in our markets, customers, or business; competitive pressures; our failure to maintain compliance with the covenants in our senior secured revolving credit facility and senior unsecured notes or to pay our debts when due; changes in the laws and regulations or in the interpretations of laws or regulations to which we are subject, including tax laws, or the institution of new laws or regulations that affect our business; general economic conditions; and other factors described in our Form 10-Q for the fiscal quarter ended March 31, 2017 and the other documents we periodically file with the U.S. Securities and Exchange Commission.

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INTRODUCTION & OVERVIEW

Robert Keane, President and CEO, Cimpres

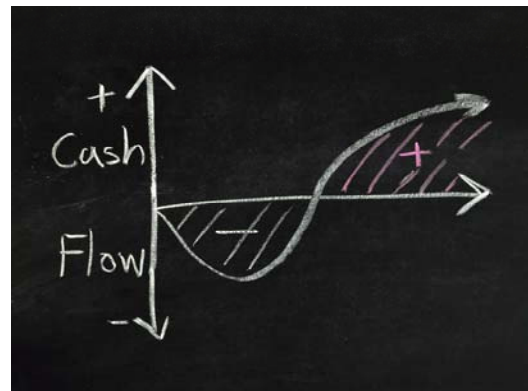
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INVESTOR DAY 2017

Our Priorities

Mass Customization Leadership



Intrinsic Value Per Share

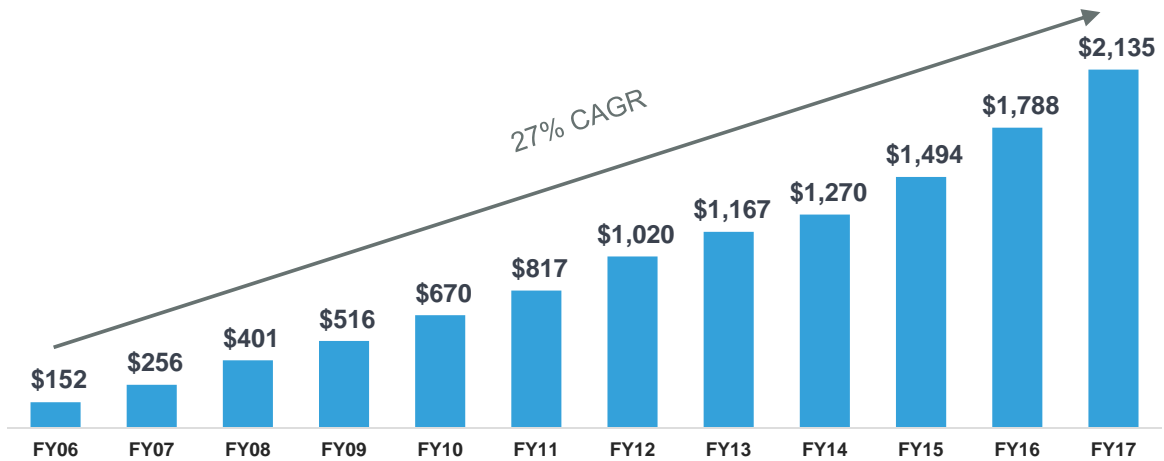


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Long Track Record of Market Disruption

Annual Revenue, USD Millions

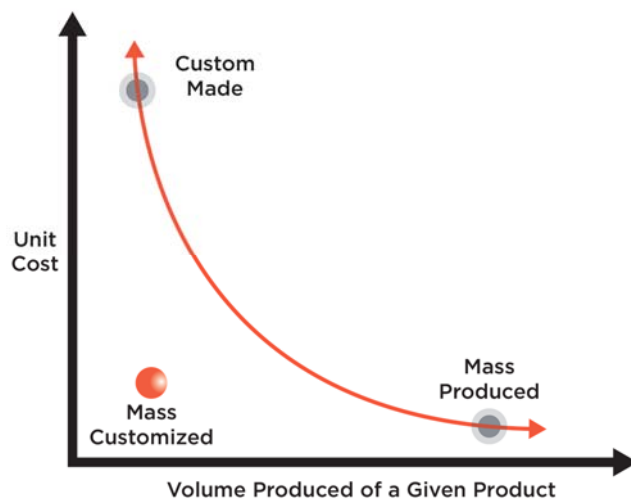


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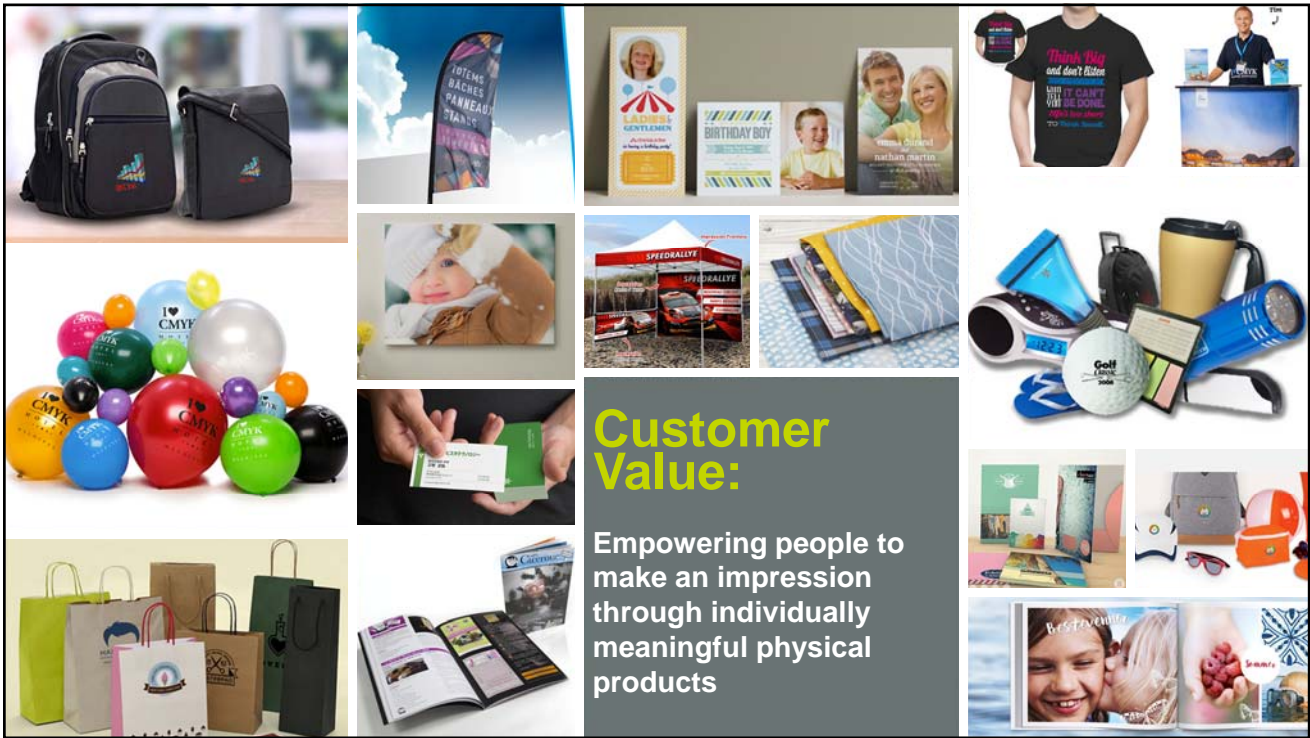
Mass Customization

Breakthrough customer value



Producing, with the reliability, quality and affordability of mass production, small individual orders where each and every one embodies the personal relevance inherent to customized physical products.

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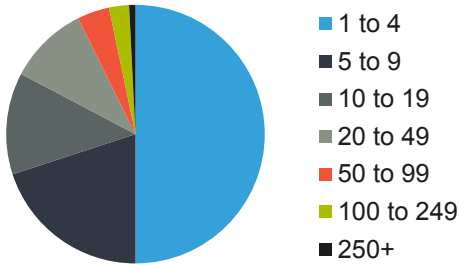




Market Dynamics

Last Bastion of Job Shop Economics

Example: U.S. Commercial Printing Establishments by Employee Size Category



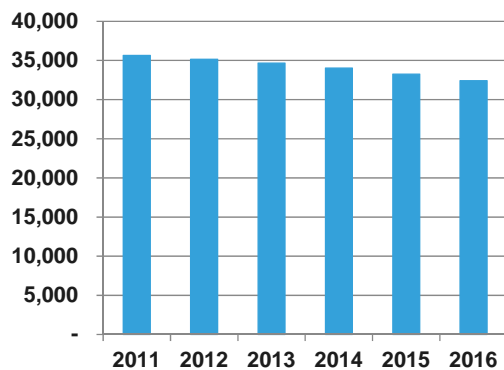
Source: "Latest Commercial Printing Demographics Show 1,200 Fewer Establishments" published May 15, 2013 on whattheythink.com citing US Commerce Department census data from 2011



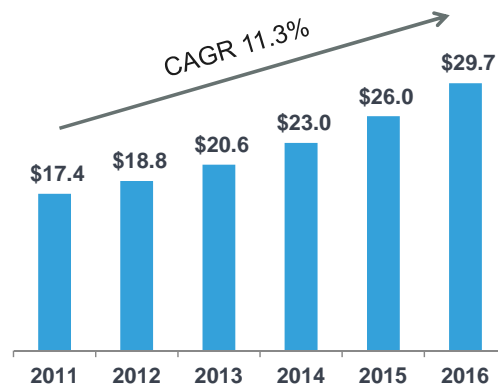
Market Dynamics

Rapid Online Share Gains vs. Traditional Commercial Printing Companies

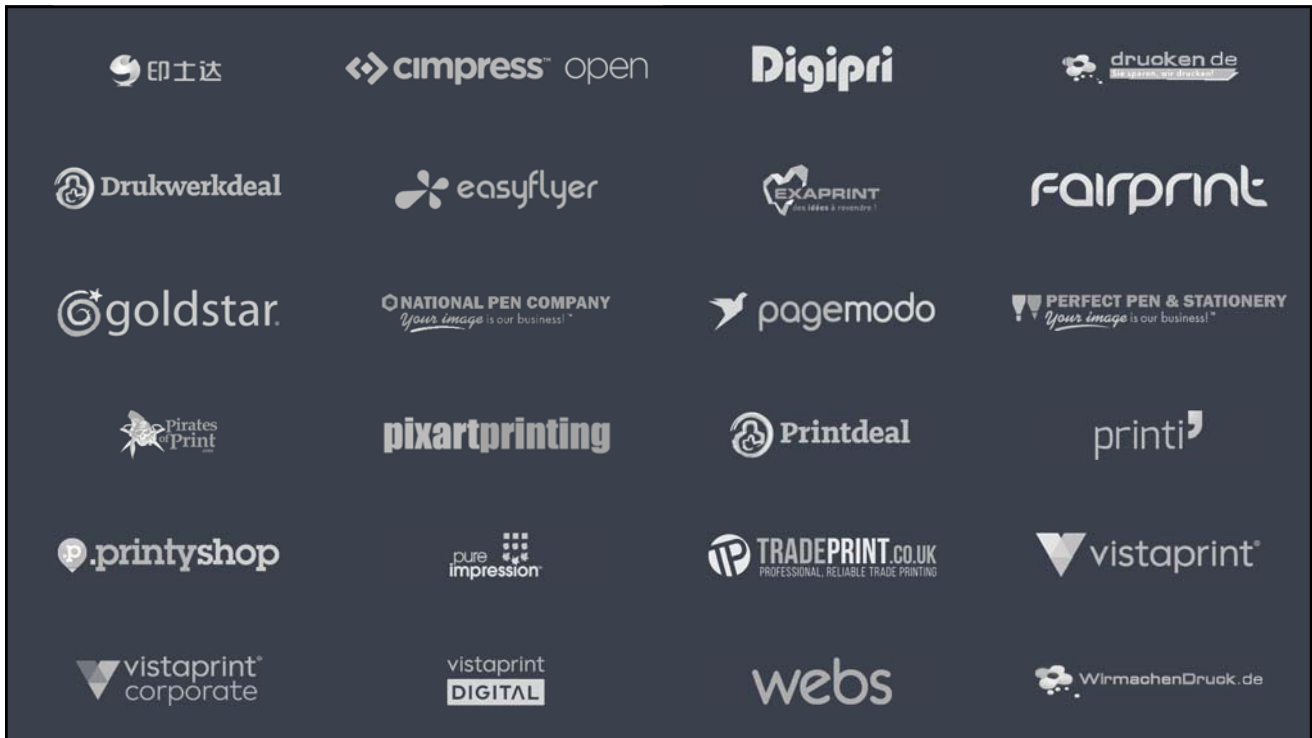
Number of North American Print Service Provider Establishments

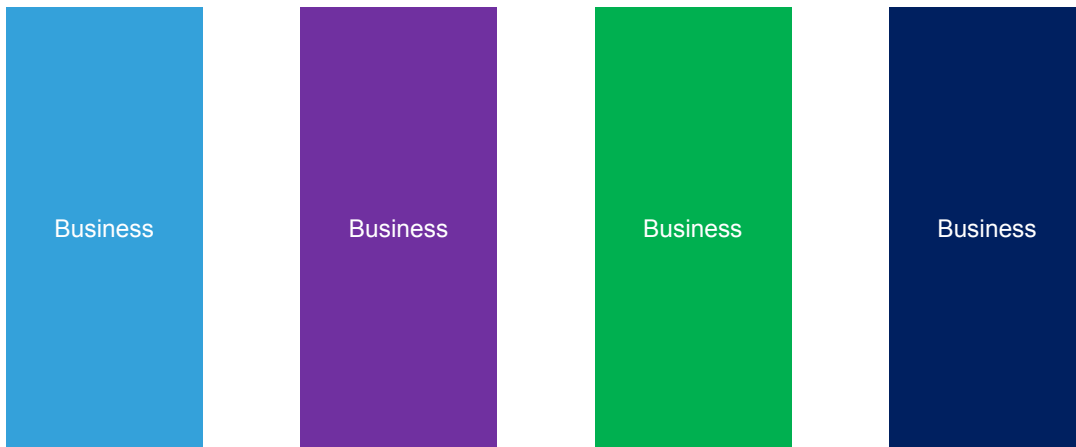


North American eCommerce Print Shipment Estimate (\$ Billions)



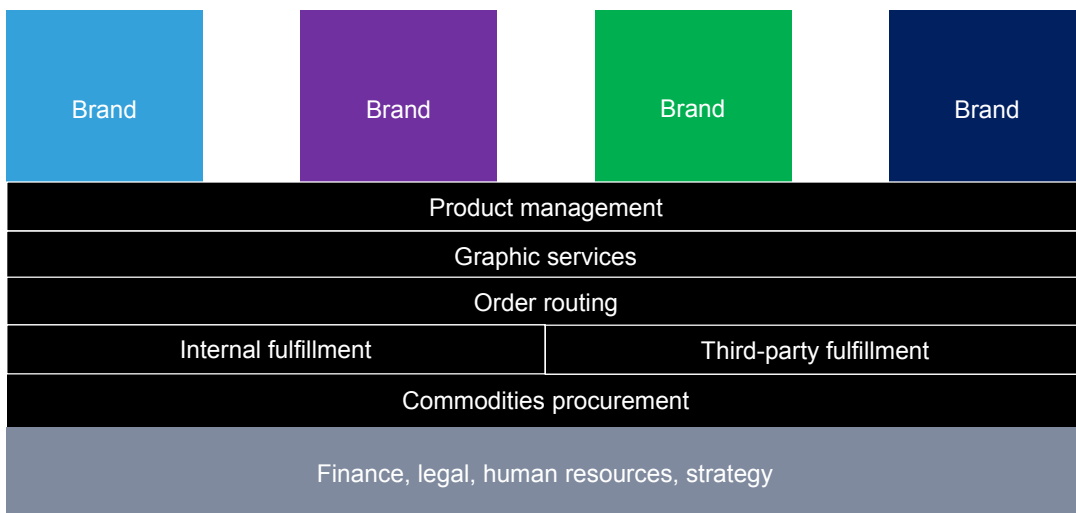
Source (both charts): PRIMIR 2012 study "eCommerce & Print Business Models" by InfoTrends





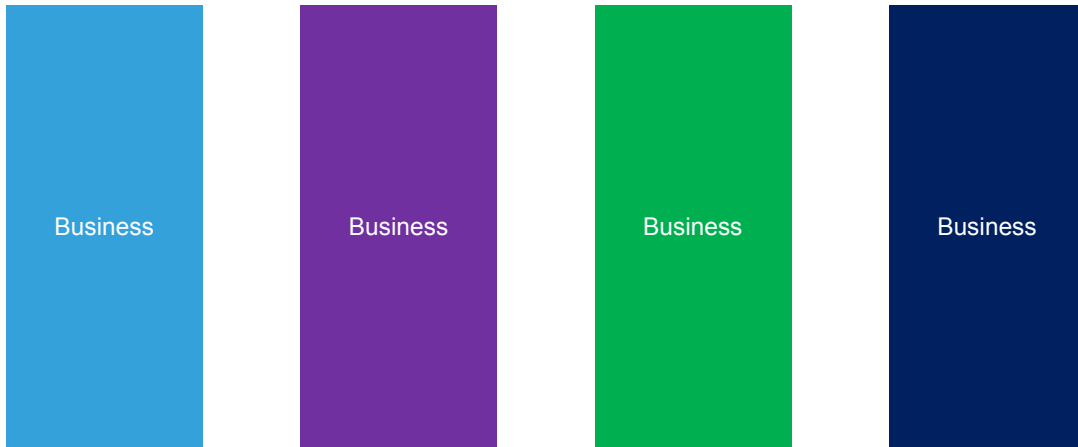
We were a set of vertically integrated business units.

15



We originally saw strong centralization of all but the “front end brands” as a way to further our scale-based competitive advantage.

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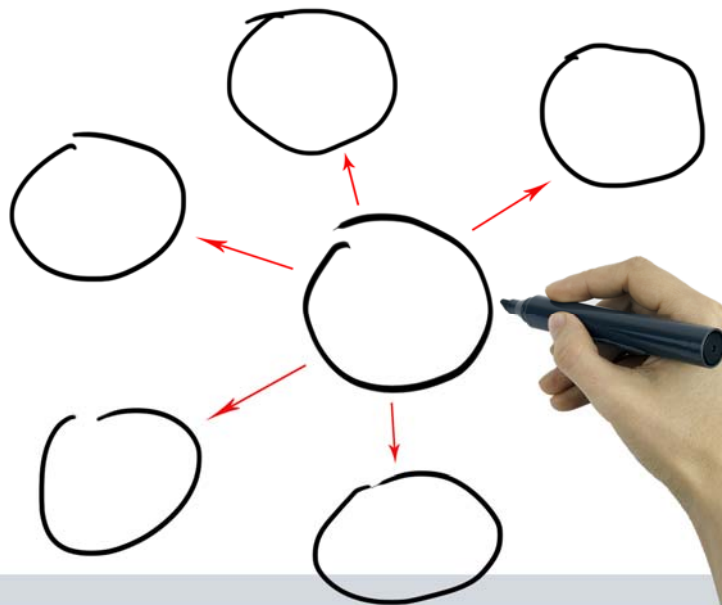


Given significant side effects and issues of centralization, we have reconstituted the original businesses.

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Staying small as we get big



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Our Strategy



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



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



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

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Decentralization Benefits

- Faster execution and better cross-functional coordination
- Accountability for customer satisfaction and investments
- Increased entrepreneurial energy
- Development of general managers
- Net FY18 free cash flow benefit of approximately \$35M year over year

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What remains central?



Capital allocation and other G&A which can only be accomplished centrally



Global procurement for major categories of commodities, shipping services & capital equipment



Mass customization platform: i.e. shared standards and technology services

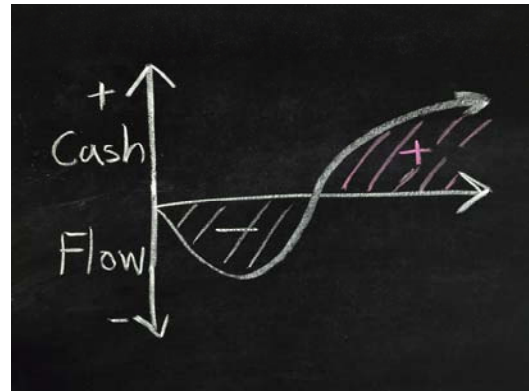
21

Our Priorities

Mass Customization Leadership



Intrinsic Value Per Share



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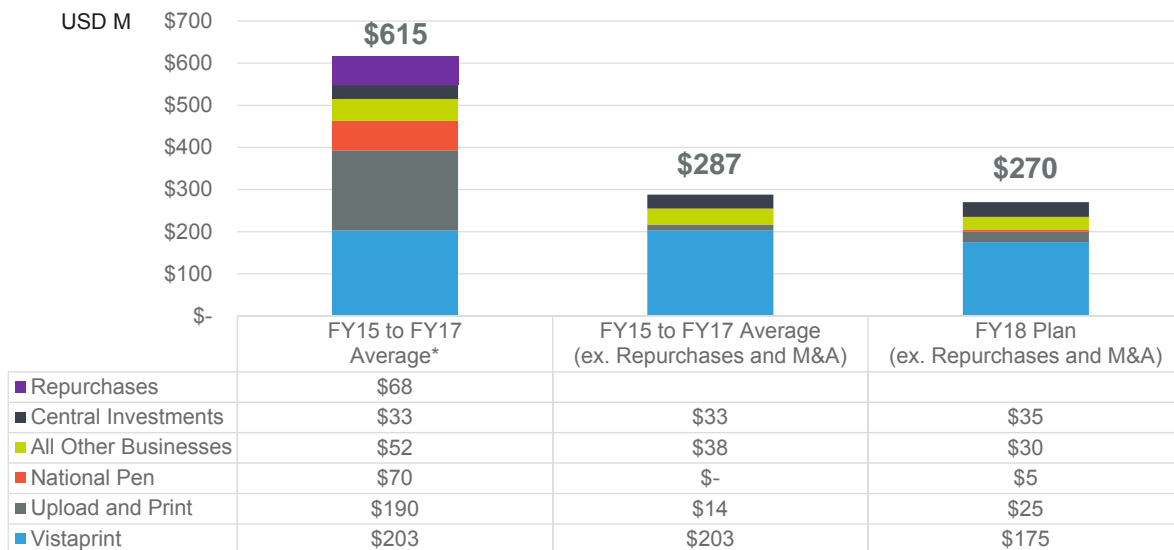
Capital allocation evolution



23



Relative capital allocation



* Q4 FY14 acquisitions of Pixartprinting and Printdeal included in FY15 total for M&A

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Thoughts on Driving IVPS

- Entering 4th year of focus on IVPS & capital allocation
 - Driving major change, and embrace the fact that we are learning
 - Appreciate input from long term investors
- Repurchases remain a significant allocation opportunity
- Growing appreciation of opportunity cost as the relevant hurdle rate
- Management incentives directly aligned to increasing per-share-value over the long term

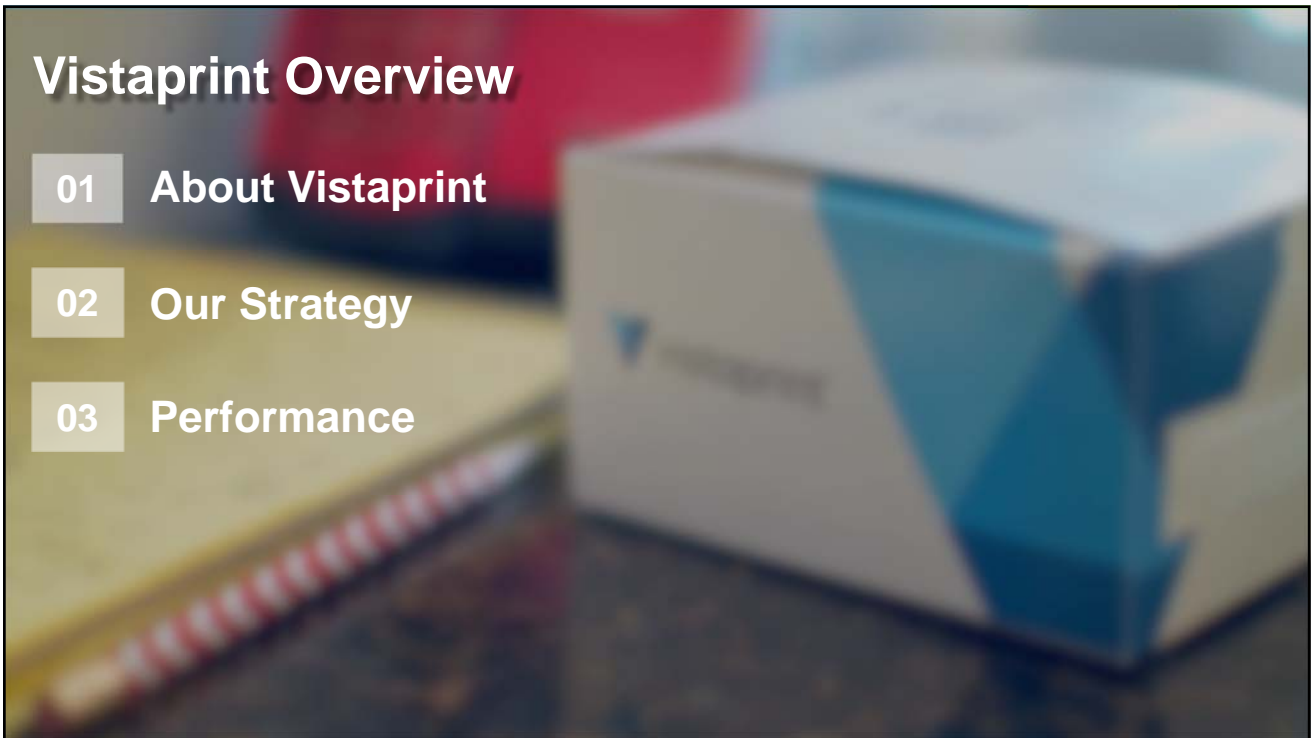
25



Today's Presentations

- Illustrate many of our most significant investments
- Vistaprint: 6 years into our shift to a foundation for growth
- Two closely adjacent markets
 - Upload and Print
 - National Pen
- Mass customization platform: narrowed focus, value delivery
- Capital allocation in depth

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01

About Vistaprint

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Vistaprint by the numbers

\$1.3 B
REVENUE

>100M
SITE
VISITS

~15M
BUYERS



Behind the numbers...



Video in Progress

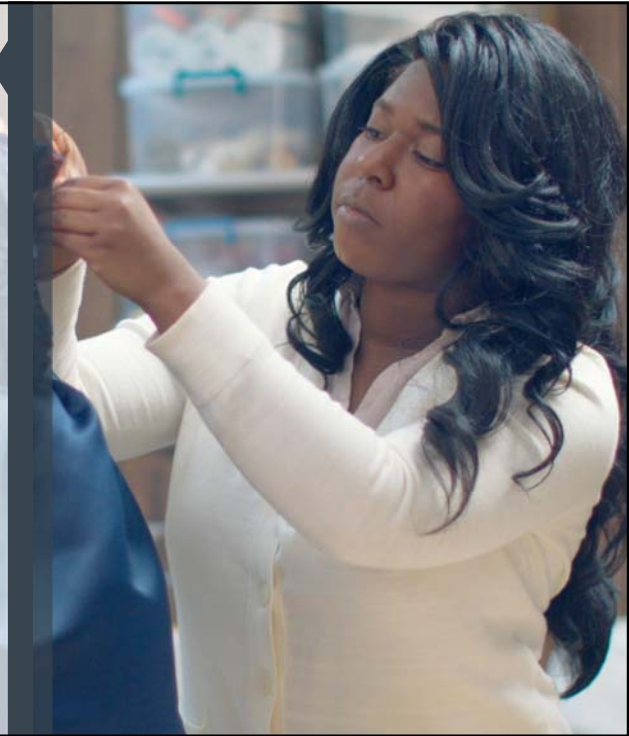
Microbusinesses are **unique** in their **impact** and in their **needs**

85% of **businesses** in the finance, insurance & real estate industry are **microbusinesses**

54% of microbusiness **sell their services locally**

73% of microbusiness owners report having **limited or no marketing experience/education**

65% agree that **how** they spend their time is **more important** than the money they make



Our relationship with microbusinesses is **what differentiates us** & fuels our growth

No one else focuses on them specifically

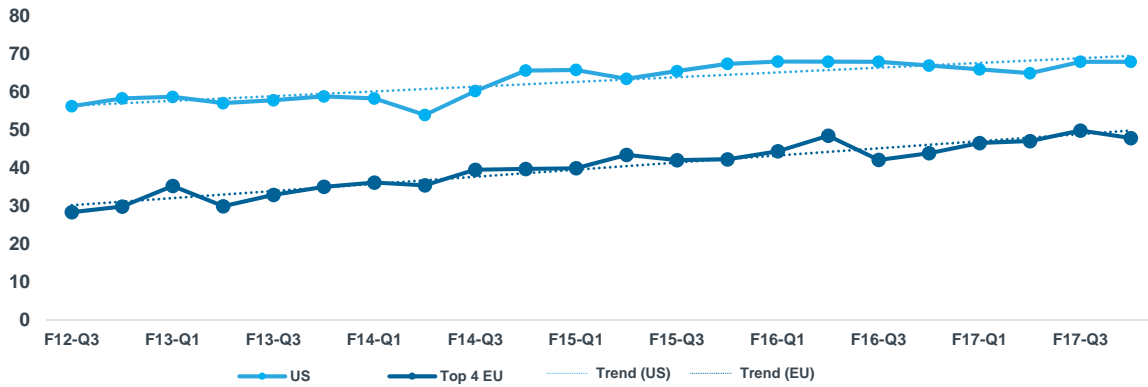
We are **unique in our ability to serve them**

We have focused our efforts on **knowing them better**



We're already seeing the impact this relationship can have

QUARTERLY NET PROMOTER SCORE



Source: Global NPS Study
 NPS = Promoters (9,10) – Detractors (<=6) from a 0 to 10 point rating scale on "likely to recommend" question

02

Our Strategy





In the past, our **relationship was transactional** and focused on a narrow definition of value

- Single product we sold for **free**
- Focused on **what they bought, not who they are**
- **Lower lifetime value**, dependent on continued acquisition

Our value proposition has evolved alongside our understanding of the customer



Our strategy reflects what matters most to customers and what differentiates us

VALUE

Quality products at competitive prices, and in quantities that make sense

EXPERIENCE

Simple, relevant experience that makes marketing easy

DESIGN

Deliver designs that reflect our customers' vision, created in the way they want to work

SCALE

Allows us to deliver on the key elements of our value proposition

VALUE

Pearl - Premium

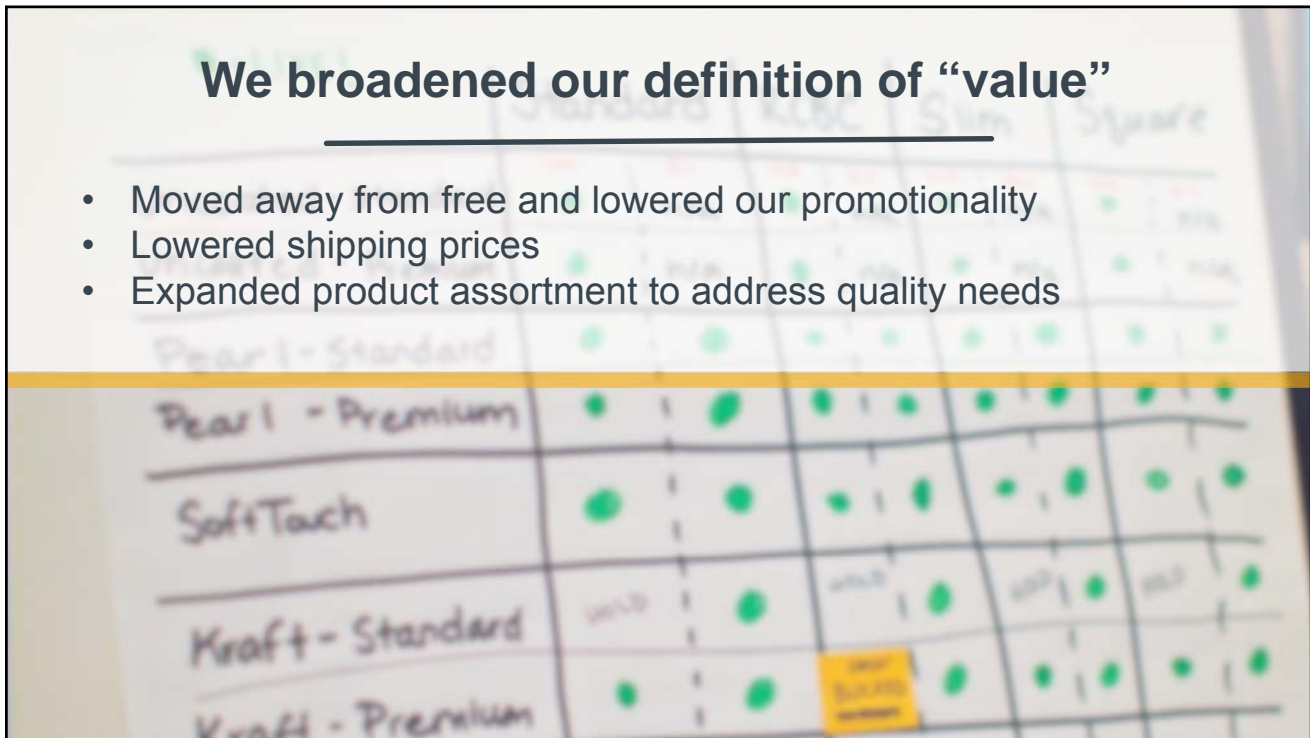
SoftTouch

Kraft - Standard

Kraft - Premium

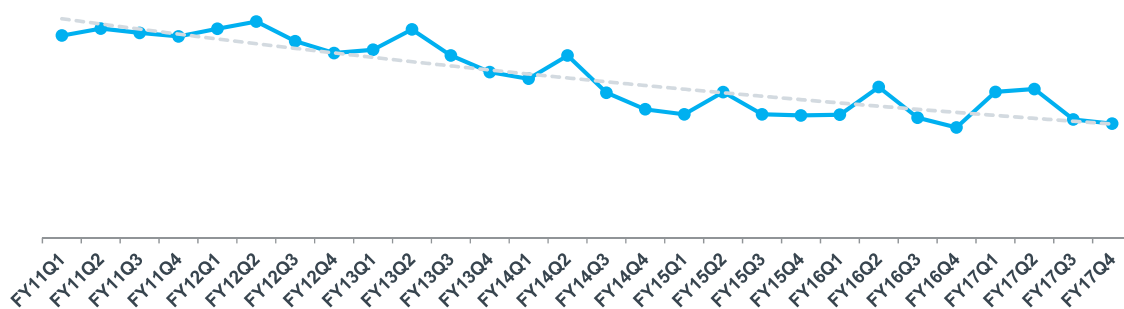
We broadened our definition of “value”

- Moved away from free and lowered our promotionality
- Lowered shipping prices
- Expanded product assortment to address quality needs

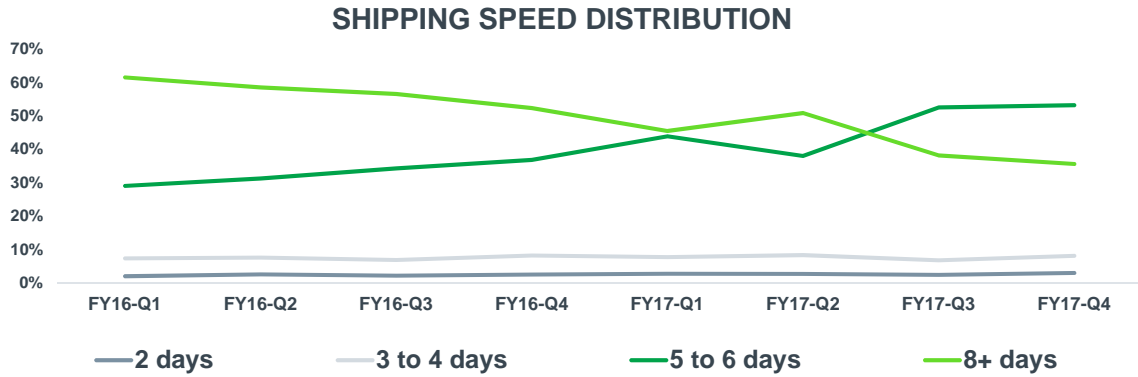


We continue to move away from heavy discounting

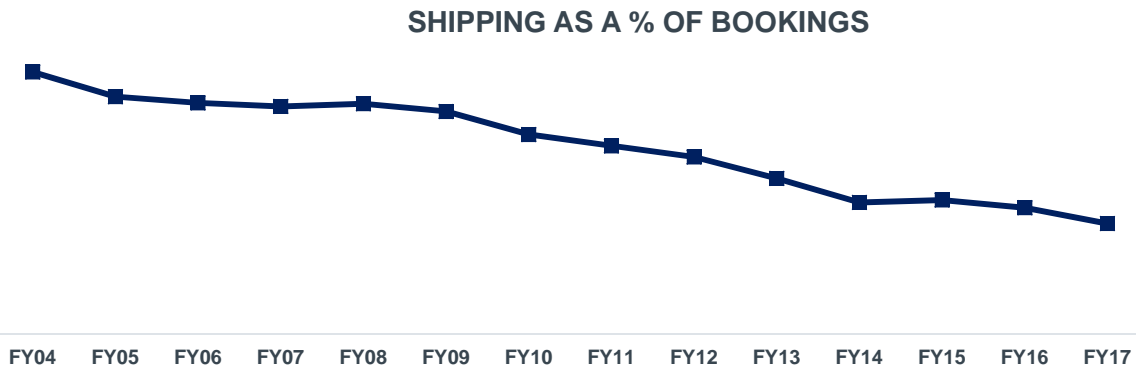
AVERAGE DISCOUNT



We improved the shipping experience

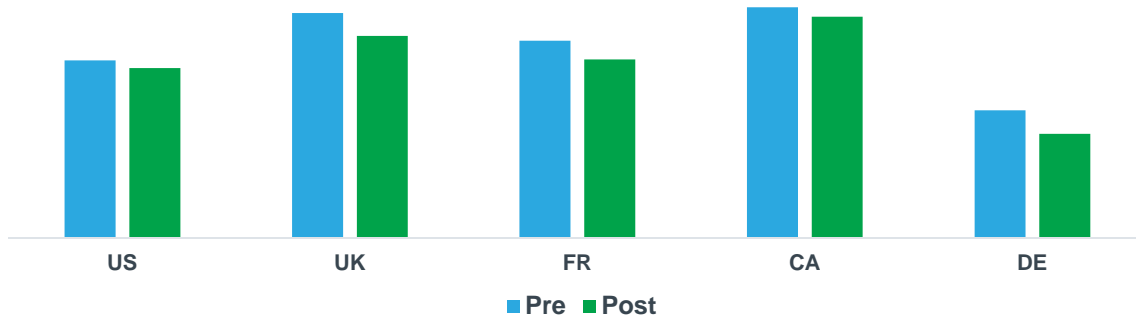


And reduced our reliance on revenue generated from shipping



Resulting in a decline in abandonment rates

SHIPPING BILLING ABANDONMENT RATE



We dramatically reduced the time it takes to bring new products to market

62

**NEW PRODUCTS
LAUNCHED IN
FY17**

4,019

**NEW SKUS
LAUNCHED IN
FY17**

2.5

**WEEKS TO
LAUNCH A
PRODUCT (VS.
OLD 19 WEEKS)**

\$30M

**INCREMENTAL
REVENUE**

Business cards EXPERIENCE

With a variety of stocks and specialty finishes,
designing your unique custom card is easier
than you think.

Packages Size & Shape Paper Thickness Paper Stock Specialty Finish

Choose how to start



We improved our technology infrastructure to focus on innovating our experience

- Implementation of content management system
- Tested new business card flow that will allow us to iterate on our customer experience
- Launched retail pilot

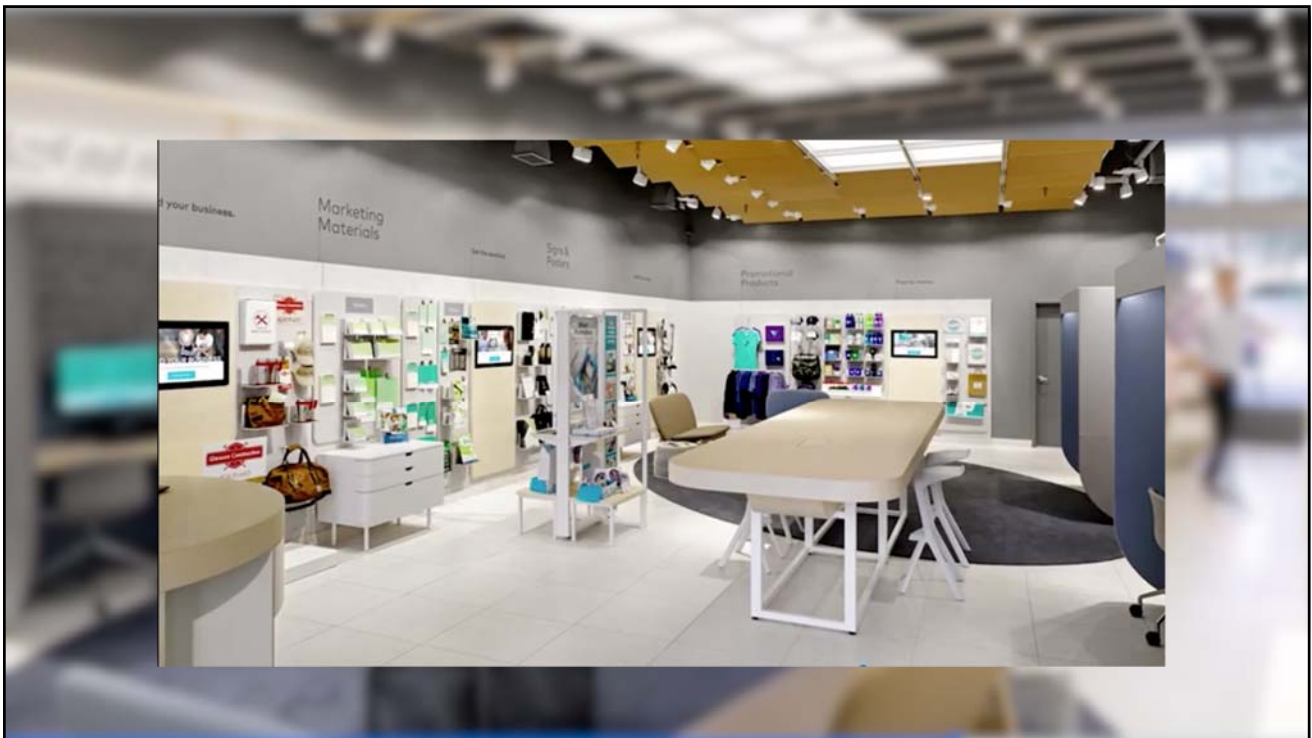
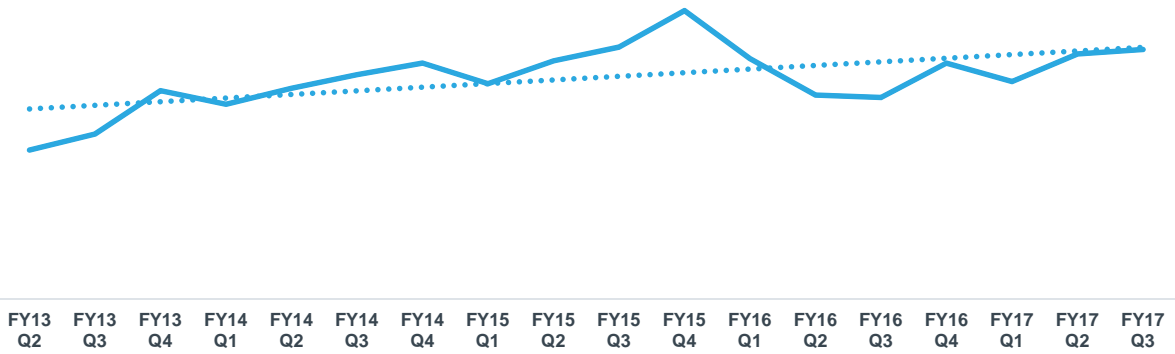
Packages Size & Shape Paper Thickness Paper Stock Specialty Finish

Choose how to start



The improvements in our experience have led to better conversion rates

GLOBAL DESKTOP CONVERSION RATE



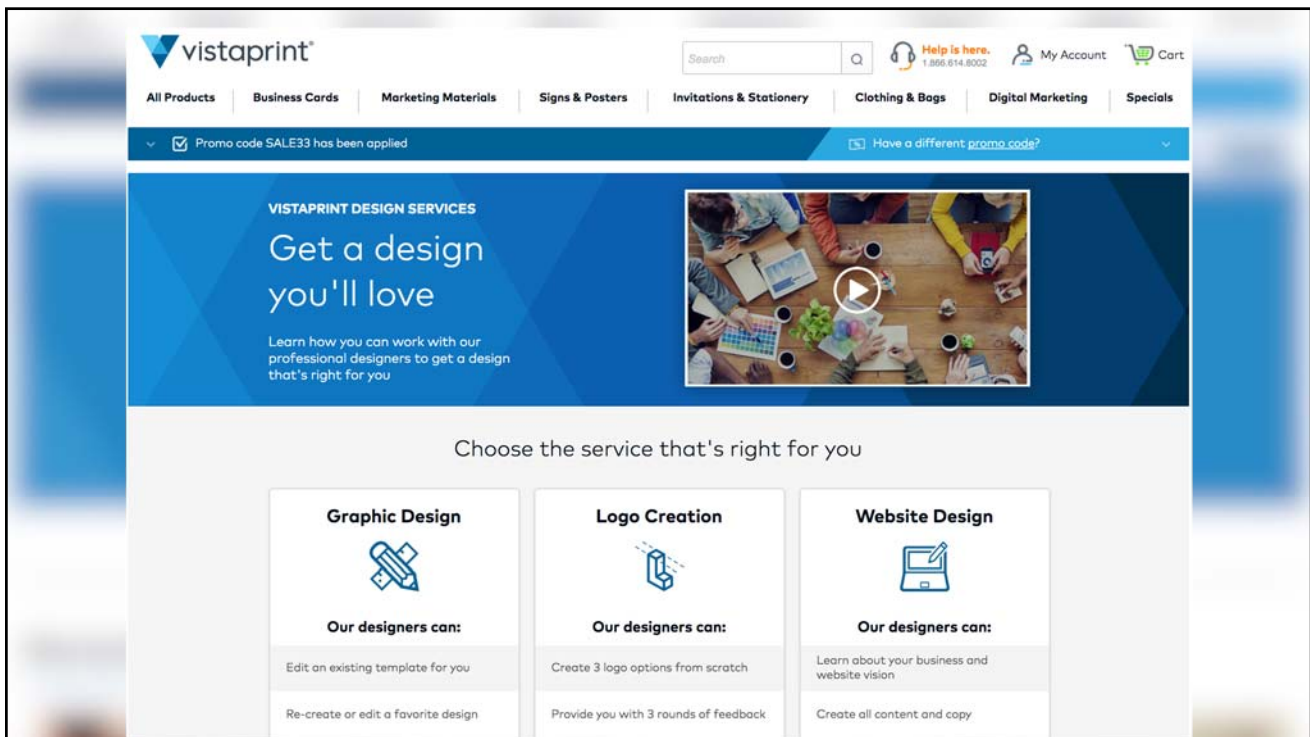
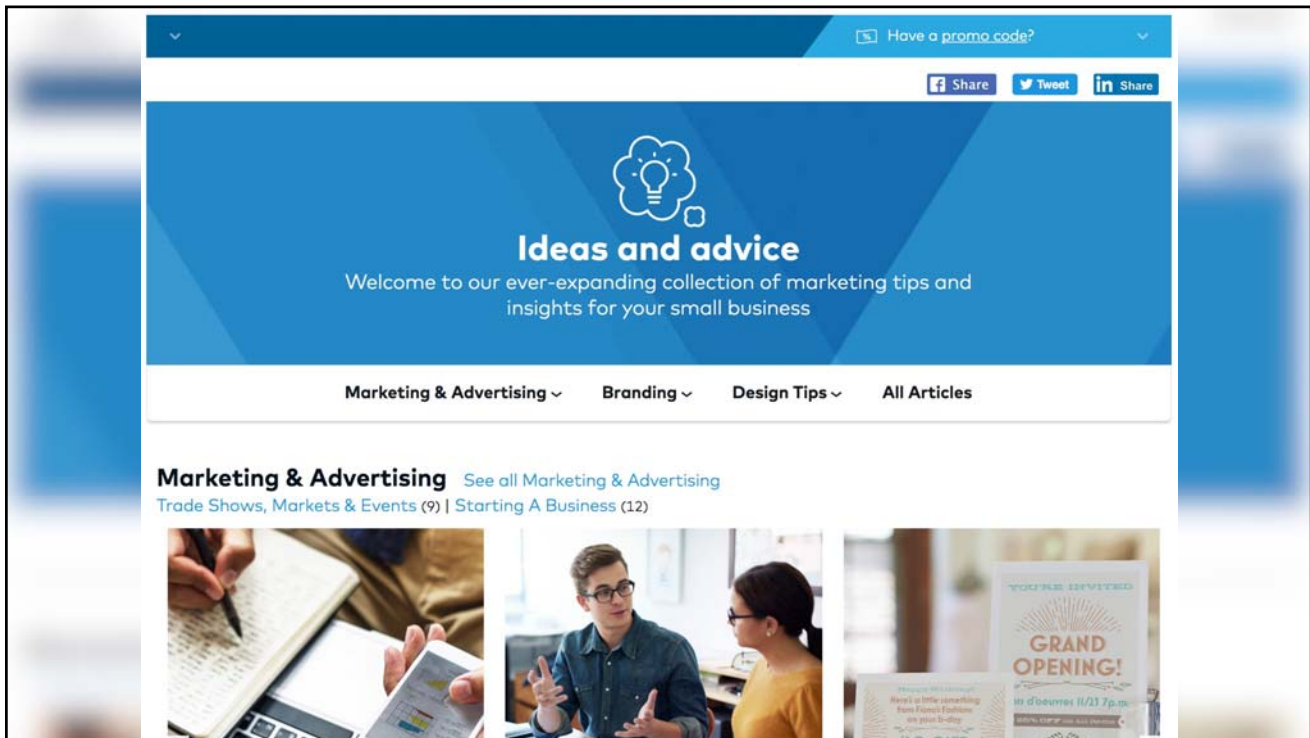
A photograph of a person in a blue shirt sitting at a desk, working on a computer. The image is partially obscured by a semi-transparent green overlay that covers the top half. The word "DESIGN" is written in white, bold, uppercase letters across the green area.

DESIGN

A photograph of a person in a blue shirt sitting at a desk, working on a computer. The image is partially obscured by a semi-transparent white overlay that covers the top half. The text "We focused on scaling design services and providing design inspiration" is written in bold, black, uppercase letters across the white area.

We focused on scaling design services and providing design inspiration

- Launched new platform to provide inspiration & advice
- Expanded design services to top 6 markets
- Tested into our end state vision for design



All Products Holiday Cards & Gifts Business Cards Marketing Materials Signs & Posters Invitations & Stationary Clothing & Bags

vistaprint LOGO MAKER

Design your logo in minutes using our free logo creation tool - by yourself or chat with a designer.

Make it yourself

Create a logo from one of our template starting points.

- ✓ Unlimited use on your own
- ✓ Template starting points
- ✓ File added directly to your account

Free to use on products
or \$20 to download files

Make it together

Work side-by-side with a specialist to iterate in real time

- ✓ 1 hour of chat working together
- ✓ Collaborate with a designer
- ✓ File added directly to your account

Free to use on products
or \$20 to download files

mycard
BETA by vistaprint

The mobile way to share your business card.

Want to become an early adopter?
Email hatchery@vistaprint.com with your name and phone type.



SCALE

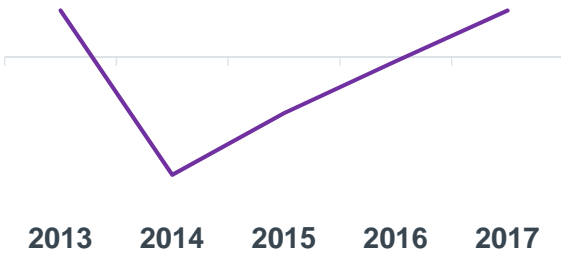


We made it easier to realize the benefits of our scale

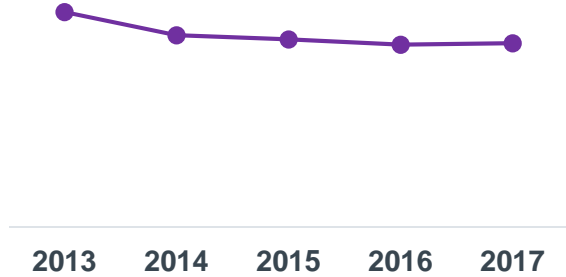
- Evolved our acquisition strategies
- Linked the end-to-end customer experience by integrating manufacturing

Our acquisition engine is gaining efficiency as we improve our value proposition and transition from traditional “free” offers

NEW CUSTOMERS – YOY GROWTH



AD SPEND AS % OF BOOKINGS



Putting it all together

VALUE

EXPERIENCE

DESIGN

SCALE

In FY18 we will continue our hyper focus on the customer and innovate on our experience

Realize the **benefits** of our infrastructure investments

Innovate on the customer experience

Expand our product assortment

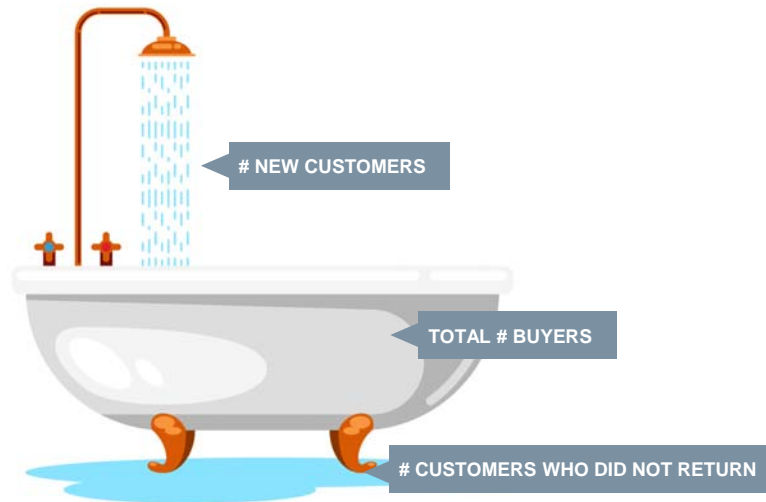
Leverage our customer data

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03

Performance

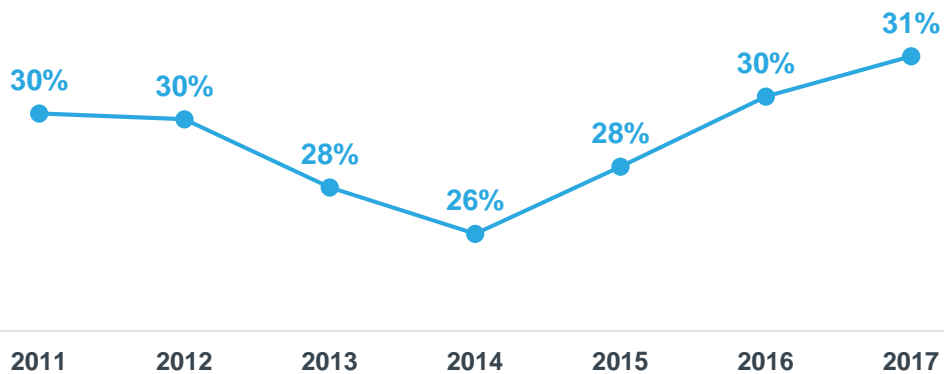
We've stemmed the "leak" of customers we saw previously, and are generating greater value from active buyers



63

After years of headwinds from our repositioning, we achieved record levels of retention and believe we can keep improving

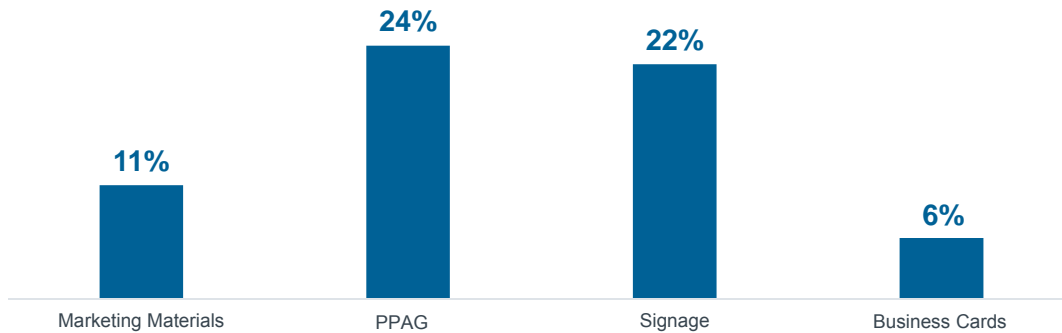
BUYER REPEAT RATE (OVER PRIOR YEAR)



64

Customers are buying **more than just business cards** – we are seeing real traction in our key product categories

YEAR-OVER-YEAR GROWTH RATE* FOR KEY PRODUCT CATEGORIES



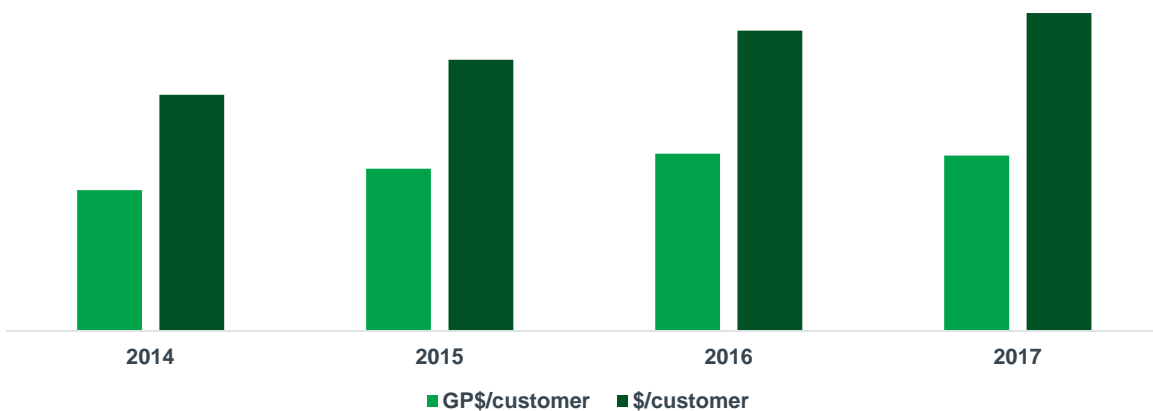
* Year-over-year bookings growth translating non-U.S. bookings at stated currency rates. See rates in non-GAAP reconciliation for investor day at ir.cimpress.com



65

But we have seen **pressure on our gross profit** as our product mix has shifted toward newer products that are not at scale

GP\$/CUSTOMER AND BOOKINGS \$/CUSTOMER



66

And while this margin compression was expected, we have some work underway to help alleviate this pressure

IN-SOURCE &
OPTIMIZE
OUTSOURCING

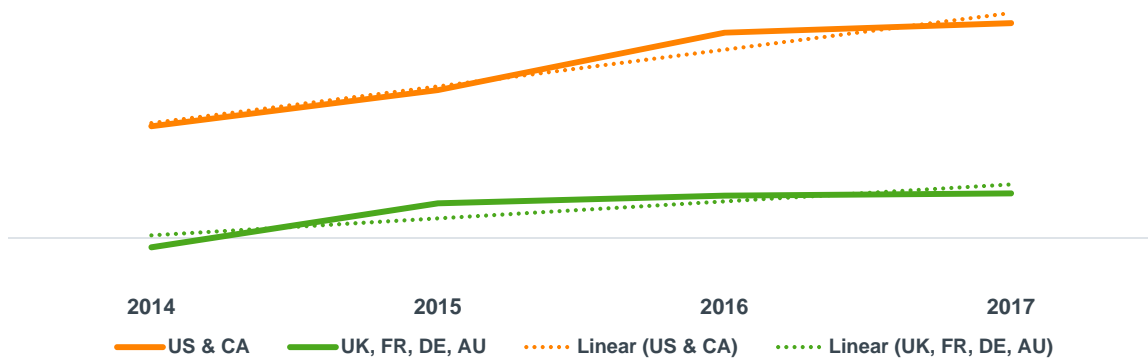
IMPROVE
VISIBILITY

BENEFITS FROM
SCALE

PRICING
OPTIMIZATION

Overall, our topline continues to be strong – we are seeing solid performance across markets

YEAR-OVER-YEAR \$ GROWTH OF BOOKINGS*



* Year-over-year bookings growth translating non-U.S. bookings at stated currency rates. See rates in non-GAAP reconciliation for investor day at ir.cimpress.com

In closing...

Our positioning around micro businesses is unique and differentiates us

We are poised to deliver a **truly differentiated** customer experience

Our relationship with our customers is **opening the door** to new opportunities

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UPLOAD AND PRINT

Kees Arends, EVP and President, Upload & Print Reportable Segment

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Agenda

Upload and Print market opportunity

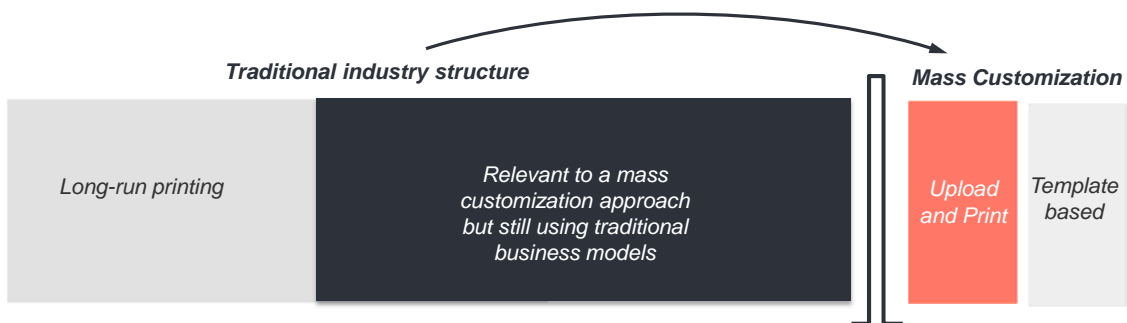
Drivers of the opportunity

Financial update

FY18 investments & priorities

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Our opportunity



Ongoing industry transition from traditional job shop printing to a mass-customization paradigm

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

72

Direct customers: graphic arts professionals

Very different user profile than the Vistaprint “do it yourself” template-oriented customer

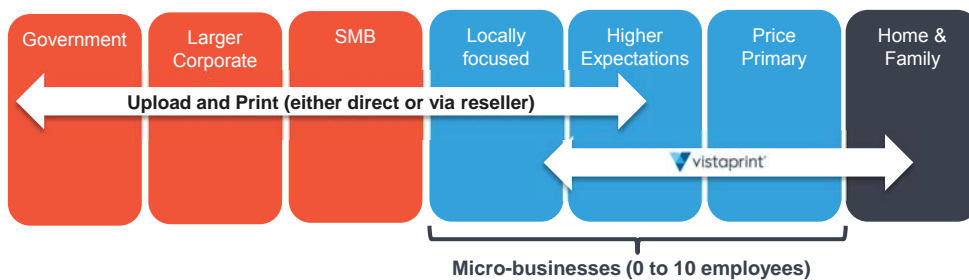


- Local printers
- Copy shops
- Independent graphic designers
- Agencies
- Graphic-design-capable employees in corporate departments e.g. marketing or communications

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End users: characteristics

1. Increasingly enabled by **e-commerce**
2. Providing their **own design & document files** (not templates)
3. Primary end customer profile relative to Vistaprint:



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Similar product categories to Vistaprint, but much greater product breadth, depth & variation

Wide breadth...

600 Historic SKUs in FY14 x 300 = New SKUs from acquisitions



Business Cards

Flyers and other marketing materials

Signage

Apparel & Promotional products

... extensive depth

Flyer selection example:



1,500+ options

- 50+ substrates
- 20 finishing options
- 6 sizes and 11 cuts

Nearly infinite options

- 35+ substrates
- 40+ sizes and custom cuts

... and fully customized sizing

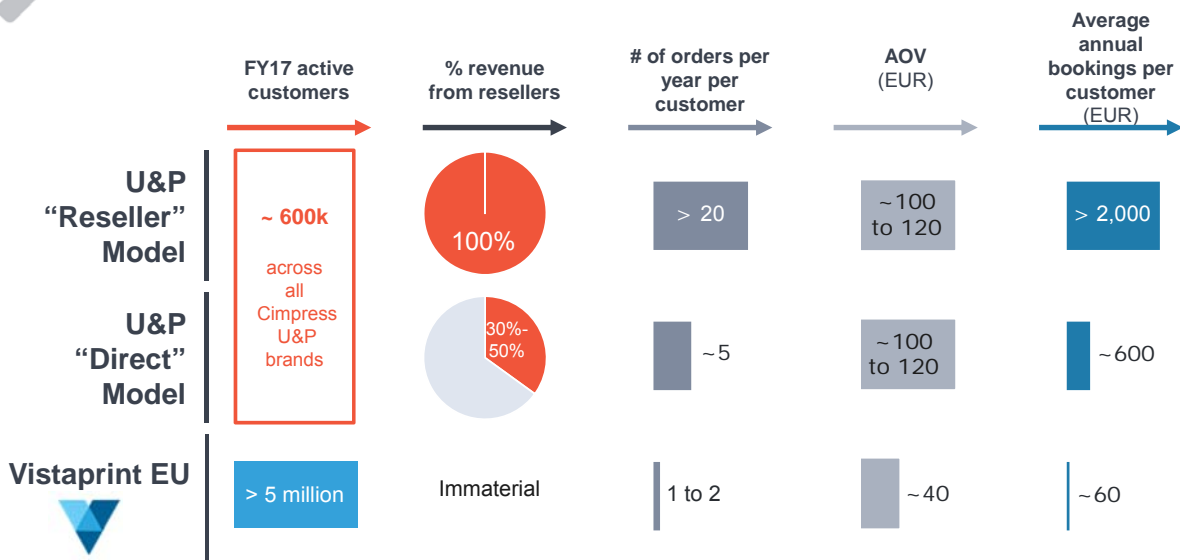
Large format example:

pixartprinting

Width (cm)	270.00
Height (cm)	146.00

75

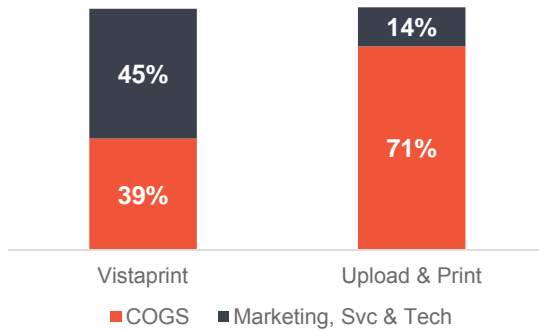
Distinct customer economics



Directionally correct average figures only, actual figures vary by brand – Includes Pixartprinting, Printdeal, Exagroup, Druck.at, Easyflyer, WIRMachenDRUCK and Tradeprint. 76

Different economics, similar end margin profile

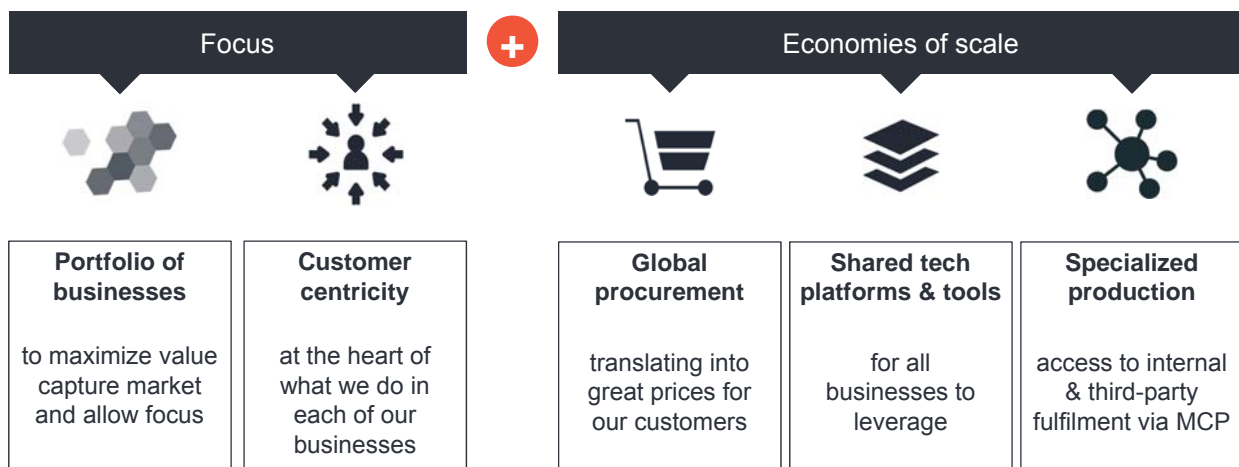
COGS, Marketing, Service and Technology Cost as a % of FY17 Revenue



- Much higher per-customer revenue drives per-customer cost of marketing lower as percent of revenue
- Technology expenditures relatively low given upload of press-ready files

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Cimpress' approach to the Upload and Print opportunity



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Portfolio of businesses

Geographic focus areas



pixartprinting

easyflyer

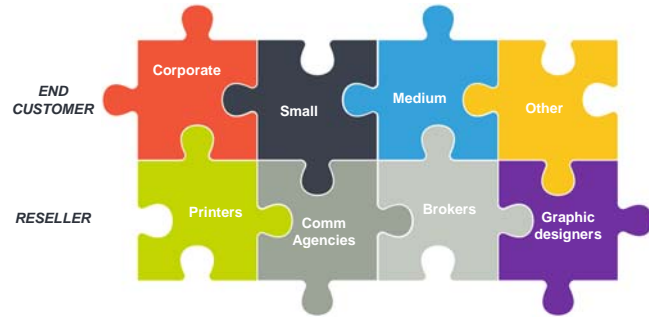
EXAPRINT



TRADEPRINT.CO.UK



Target audiences



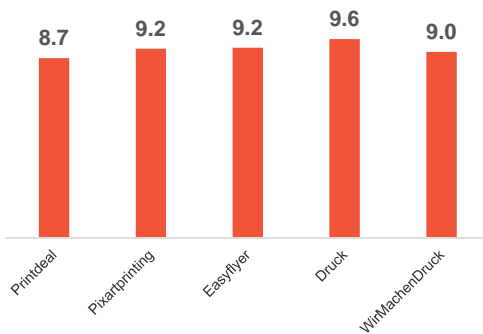
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Customer centricity

Customer centric culture, excellent service, illustrated by high satisfaction scores (*)

Supported by full cross-functional autonomy as a result of FY17 decentralization

Customer satisfaction score [0-10 scale]



Production	Technology	Graphic Services
Third Party Fulfilment	R&D	Marketing
Product Management	Customer Service	G&A

(*) Score reported on website mid-July by third party vendor (trusted shops / avis verifies / trust pilot)
Score not available / non representative sample for reseller focused brands

80



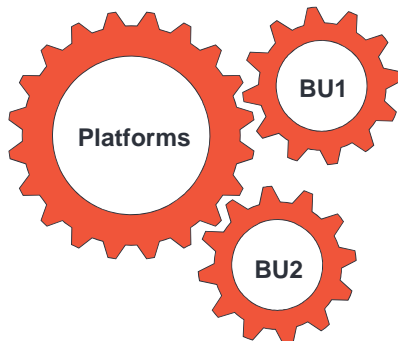
Global Procurement

- Large scale capital equipment & commonly-used commodities* equate to a very material portion of Upload and Print revenues
- Same supply chain for much of these needs at Vistaprint and (for shipping) National Pen
 - Roughly \$500 million of annual commodity and capex managed centrally across all of Cimpress
- Aggregate scale drives material leverage and cost advantages

* For example: paper, plates, shipping, energy, etc.



Shared platforms and tools



Fulfiller network

- Faster new product introduction
- Broader make / buy options
- Competitive tension

Technology

- MCP micro-services and APIs
- E-commerce framework
- Data warehouse / big data

Community

- Best practices / market trends
- Scale effects of procurement
- Operational learnings
- Talent rotation



Specialized production

Strong expertise in print manufacturing

Different facilities &/or lines of products



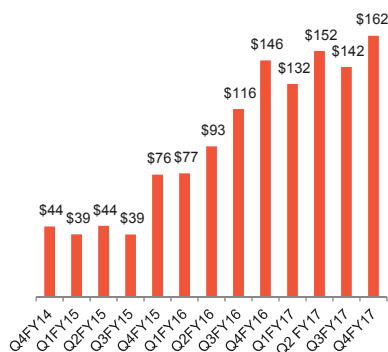
Leveraging the expertise and competitive advantages of internal & 3rd party production lines and factories that are highly focused and thus able to deliver great quality, product breath & depth, speed and cost

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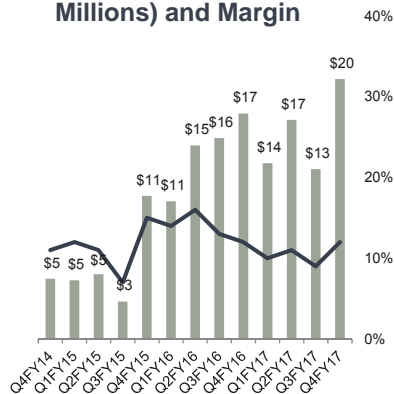


Upload and Print Financial Results

Upload and Print Revenue (USD Millions)



Upload and Print Adjusted NOP (USD Millions) and Margin



FY 2017

- \$589M revenue
- \$64M adjusted NOP
- 13% year-over-year organic constant-currency growth*

* Reported revenue growth for FY 2017 was 36% when including all acquisitions as of their respective transaction dates. WIRmachenDRUCK included in organic growth rate as of Q4 FY17. Please see reconciliation of non-GAAP measures at ir.cimpress.com.

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Upload and Print investment returns to date

 Printdeal	 pixartprinting	 easyflyer	 EXAPRINT
April 2014	April 2014	April 2015	April 2015

 druck.at	 TRADEPRINT.CO.UK	 WinnhardtDruck
April 2015	August 2015	February 2016

- €459M consideration paid
- FY17 Results
 - Revenue €540M
 - UFCF €53M
 - UFCF yield vs. consideration ~12%
 - Investments ~€27M
 - SSFCF ~€70M - €76M
 - SSFCF yield vs. consideration ~15% - 16%

* Total consideration for Upload and Print business, net of cash acquired. Excludes earn-outs not yet paid. UFCF is net of reductions to reflect partial equity ownership of Exagroup. SSFCF adds back estimate for range of investments not necessary to maintain steady state. Euro to USD currency exchange translated at FY17 average rate of 1.09. 85

FY 2018 priorities

- 1 Leverage autonomy to accelerate our rate of improvement to our customer value proposition; via focus, nimbleness and speed
- 2 Further connections to and leverage of the mass customization platform
- 3 Introduce new products, share across our businesses
- 4 Improve technology across the portfolio

Overall Objectives

Increase customer value, grow revenue, build steady state free cash flow

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SHORT BREAK

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NATIONAL PEN



Peter Kelly, EVP and CEO, National Pen

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INVESTOR DAY 2017



Who is National Pen?

- Offers low minimum order quantities and low minimum total order cost across a wide product selection of customized promotional products with a focus on writing instruments
- Largest provider of customized writing instruments in the B2B segment
- Customers are predominantly small and medium sized businesses, most of which have fewer than 10 employees
- Marketing via direct marketing (mail and phone) techniques but with a small fast growing e-commerce business internationally
- 24 countries: strong presence in Western/Central Europe, North America and Canada & Japan, Australia and New Zealand
- Approximately 1M active customers in CY 2016

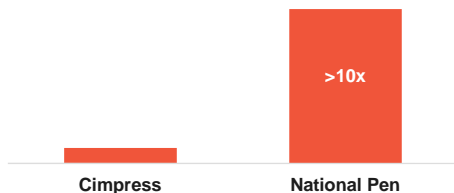



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National Pen's Scale-Based Competitive Advantage in Writing Instruments: Analogous to Vistaprint's Business Card Advantage

National Pen has >10x the scale of Cimpress in writing instruments

Writing Instruments Revenue



National Pen's scale has allowed vertical integration across the supply chain, leading to significant customer value advantages relative to both Cimpress' prior position and to competition

...yet, the large market opportunity is relatively untapped

Over \$100b total addressable market in North America and Europe:



Size of product category boxes are illustratively representative of the relative sizes of each market within the mass customization space

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Strong Customer Value Proposition for SMB Market

Broad Range of High Value Products



- High-utility products stay in circulation for months; sometimes exchanged 6-7 times, generating lasting impressions and creating high ROI

Full Range of Graphics Customization & Flexibility



- Full color printing and decoration, including on curved and irregular surfaces
- Multiple decoration technologies

Convenient Ordering and Exemplary Sales Support



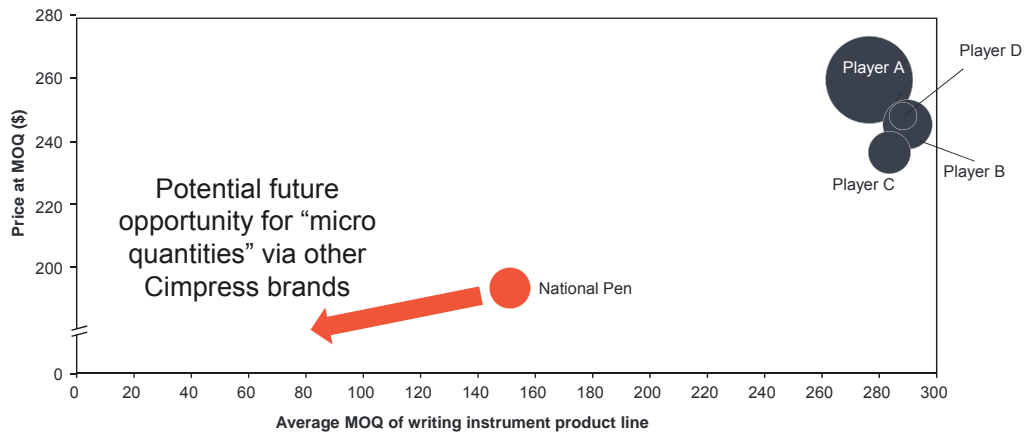
- Convenient, multi-channel ordering – direct mail, online, or contact center – provides high service for small and dispersed market

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Differentiated by low minimum order quantities (MOQ) and very competitive pricing on small orders

Average MOQ and total price at MOQ for the Pen category¹ (USD)



¹ MOQs and entry prices were collected for all pen products offered by each player, excluding pens with unit blank prices higher than \$2 at quantities equal to 500. Bubble size is based on the number of pen products offered by the player. 93



Global Operations

Corporate Office
• San Diego, CA USA

Marketing/Service
• Bordeaux, France
• Tijuana, Mexico
• Shelbyville, TN USA
• Dundalk, Ireland

Contact Centers
• Shelbyville, TN USA
• Dundalk, Ireland

Sourcing (Partner)
• Shanghai, China

Fulfillment
• Tijuana, Mexico
• Shelbyville, TN USA
• Dundalk, Ireland

★ Office or Facility Location

■ Target Geographic Market



Example Synergies To Date

Many accomplishments in short time period since acquisition closed

Shipping Costs

- Expect annualized savings of ~\$2M by leveraging Cimpress contracts and scale advantage
- Savings realized in customer delivery and inbound freight costs

Leveraging Cimpress Capacity in Japan

- Shifted decoration of products for Japanese customers to local Cimpress facility
- Expect annualized savings of ~\$1M while improving customer responsiveness and delivery time
- Provides new product capability for Cimpress' existing business in Japan

Expanding Vistaprint Value Proposition

- Have launched 36 products to date on Vistaprint sites
- Plan to implement production cells in Vistaprint's Windsor and Venlo facilities to enable cross-sell of a wide range of micro-quantity orders to Vistaprint customers

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Priorities for FY 2018

- With organizational restructuring and marketing resets now complete, shift focus toward growing revenue and unlevered free cash flow
- Continue focus on improving quality of our direct mail by aligning all markets globally in a centralized function
- Drive revenue synergies:
 - Continue to make National Pen products available to more Cimpress businesses
 - Cross sell products from other Cimpress businesses to National Pen customers
- Continue to pursue cost reduction in all areas of the business
- Re-architect e-commerce sites by leveraging Cimpress technologies

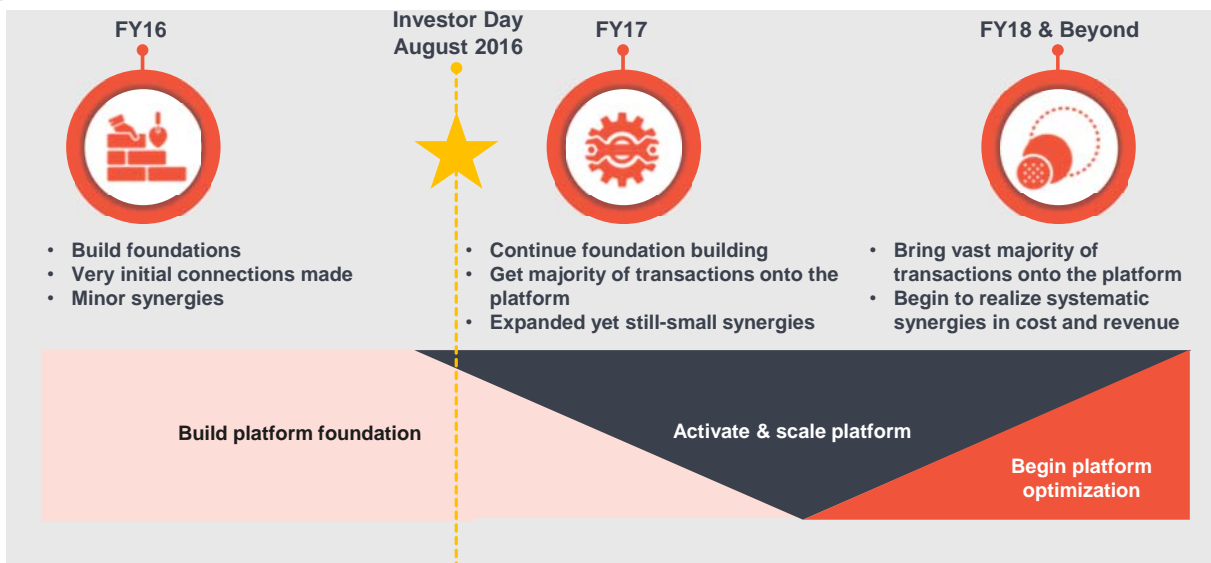
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MASS CUSTOMIZATION PLATFORM

Maarten Wensveen, Chief Technology Officer

 **cimpress**
INVESTOR DAY 2017

Last year we ended with this slide...



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MCP \neq Cimpres
Technology

Building the platform is Cimpres'
collective responsibility.

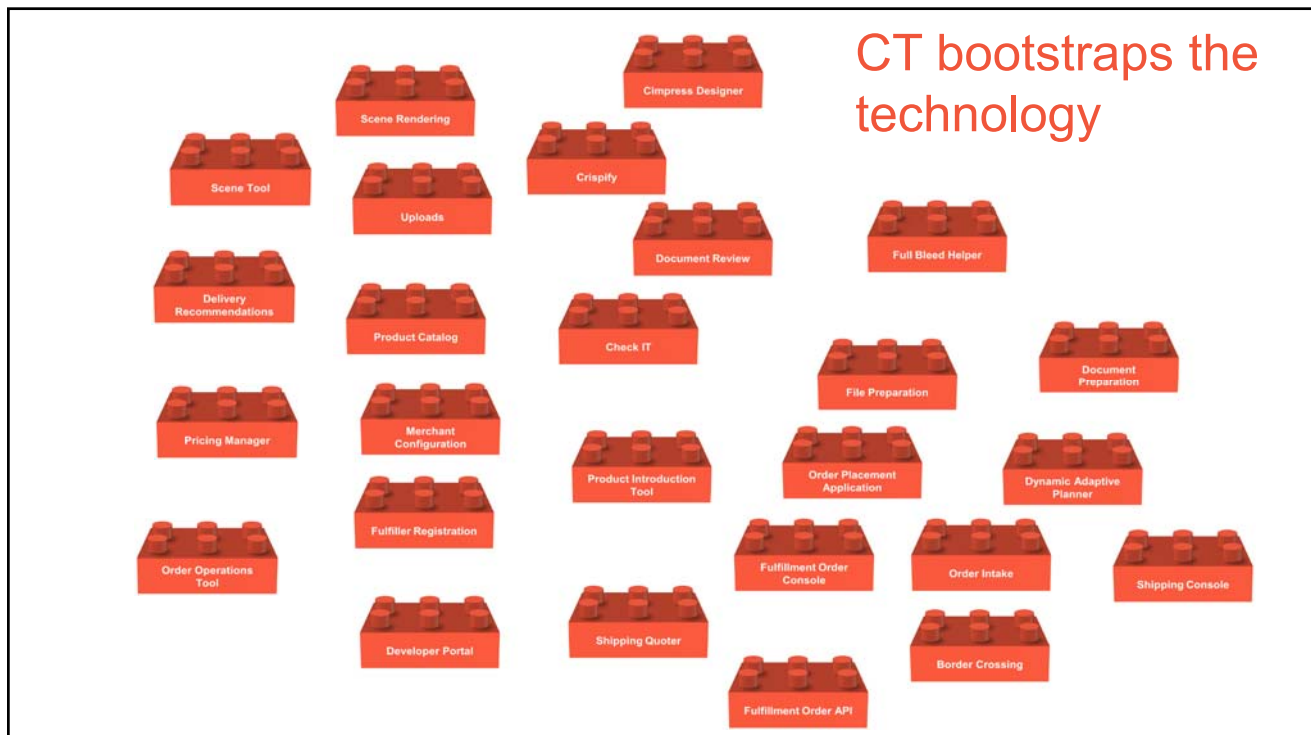




Mass Customization Platform today

- MCP now provides richer à la carte choices
 - No longer need to “take everything” in order to use the platform
- MCP is collectively owned by Cimpres
 - Many common components are being built by Cimpres Technology
 - Any of our businesses can contribute
- MCP is free for Cimpres-owned entities
 - Centrally sponsored and free
 - But not forced upon the businesses: optional pull only
- MCP continues to evolve
 - “Internal open source” development
 - Lessons learned about our businesses needs

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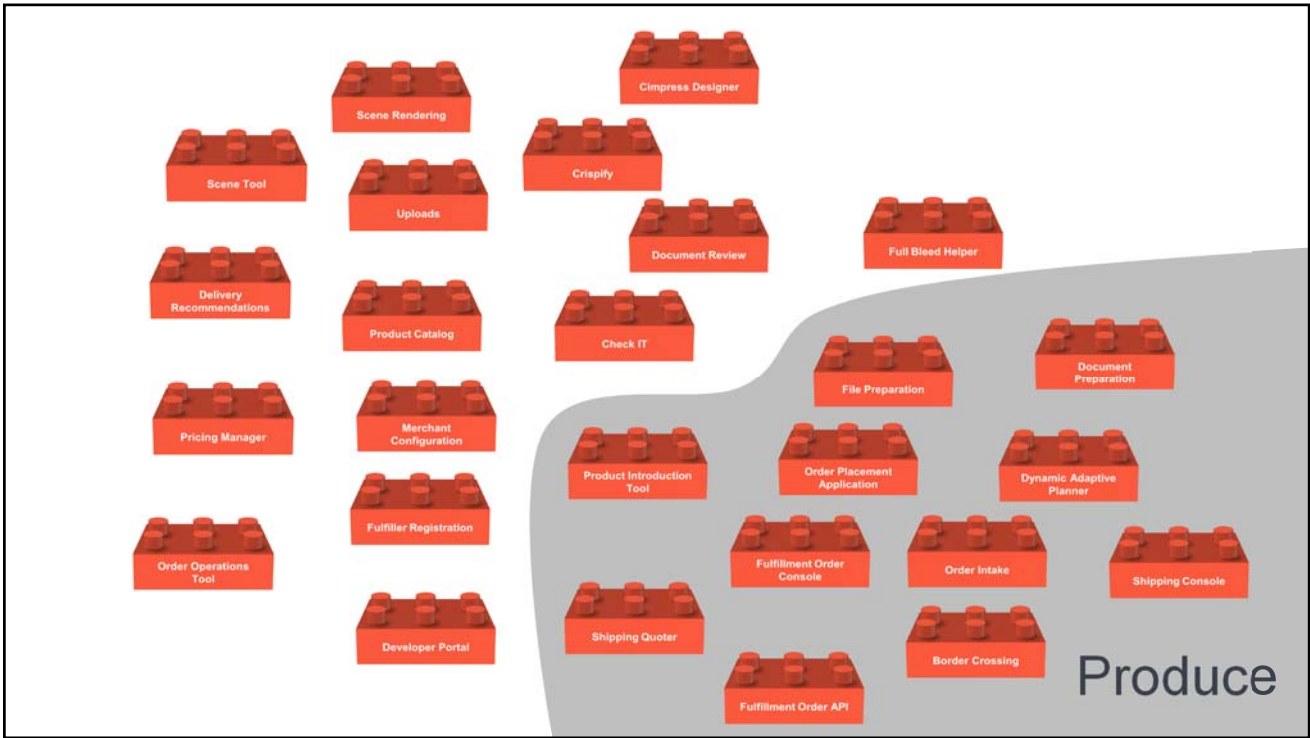


Sell



Customize







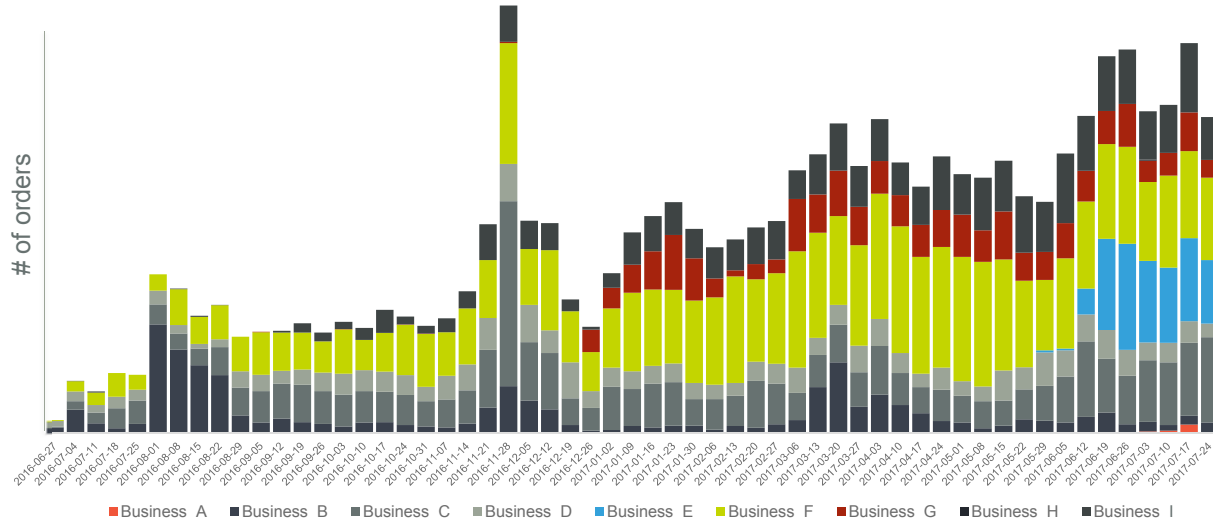
Any Cimpres business can contribute...



**THE MCP IS DELIVERING VALUE
TODAY IN MANY WAYS...**

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Beyond Vistaprint, multiple Cimpress businesses have begun to transact orders across the platform



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Vistaprint offering National Pen products

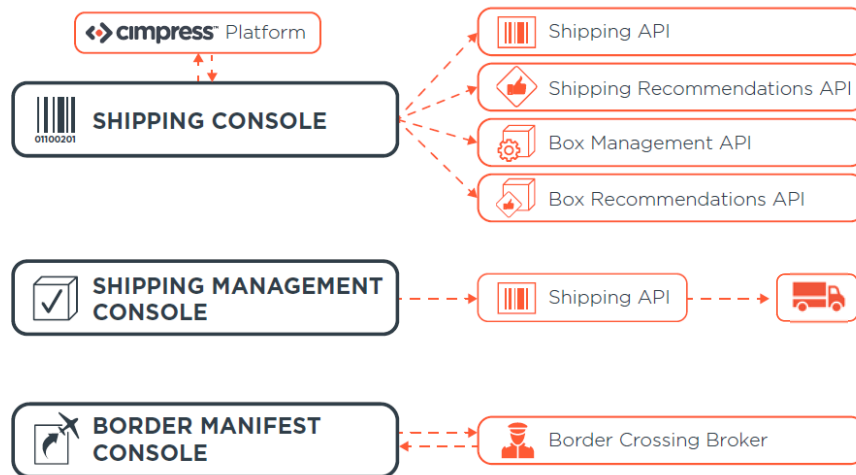
Since April, Vistaprint launched 36 new products that are fulfilled by National Pen. By integrating via the platform, they are able to easily add more products and now other Cimpress businesses can offer National Pen products with minimal effort.

The screenshot shows the Vistaprint website interface. The navigation bar includes categories like All Products, Business Cards, Marketing Materials, Signs & Posters, Invitations & Stationery, Clothing & Bags, Digital Marketing, and Specials. The main content area displays several National Pen products:

- Personalized Pens:** An inexpensive and effective way to promote your business. Choose from a variety of font and design options. Black ink pens available in quantities from 1 to 250. Starting at \$3.00.
- Engroved Pens:** Add a name or personal message to this sophisticated gift for family, friends or employees. Starting at \$6.00.
- Custom Pens:** Advertise your business with four-color, 360-degree printing to click with new customers. Starting at \$3.00.
- Liverpool Ballpoint Pens:** These smooth-writing pens feature a unique, waxy chrome clip, along with a soft rubber grip. (Blue or black ink.) 100 starting at \$82.00.
- London Ballpoint Pens:** Water than a special pen, this option also grabs attention with a stylized grip and translucent clip. (Blue or black ink.) 100 starting at \$105.00.

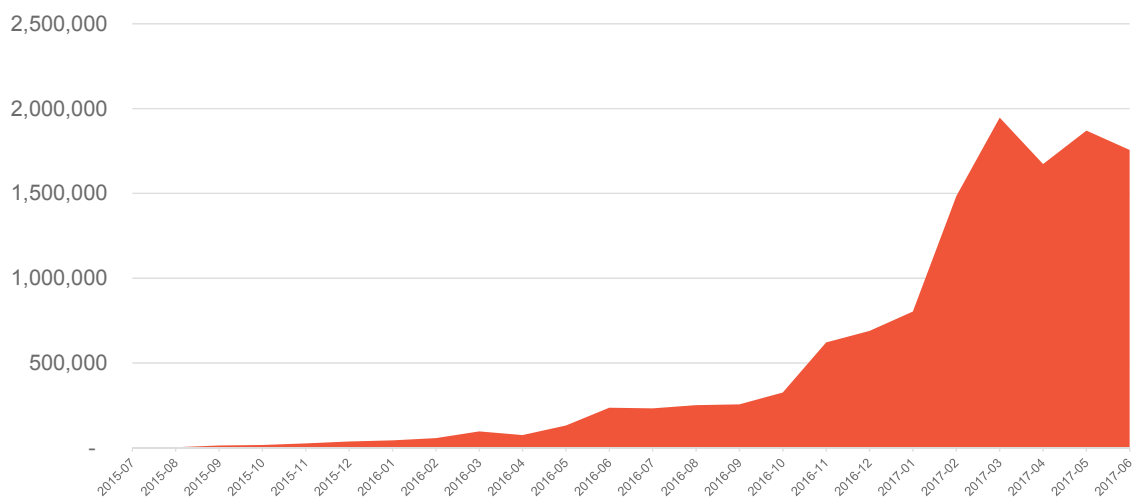
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Multiple manufacturing facilities, both in house and 3rd party, are using different aspects of our logistics software



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Shipments by Month since July 2015



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Stats on Scenes



Requests per Month: 3.5 billion



Peak Request per Day: 207 million




Peak Data Transfer per Day: 7.13 TB

Took over 9 billion requests in FY17 Q2

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Image is used to cross sell

Whisper Mug
Its muffled softness is a benefit everyone will see your message when it's on our whisper mug. You'll get high-quality, full-color printing.




[Edit My Information](#) [Edit My Image](#)

Choose Quantity: 1: \$14.00

[Add to my Order](#)

T-Shirt
Promote your brand and your business. Custom printed t-shirts make great event uniforms, client gifts and trade show giveaways.




[View Larger](#) [Edit My Information](#) [Edit My Image](#)

XXXLarge Large XXL Large Large Small Medium

Price List

[Add to my Order](#)

Ladies' T-shirts
A comfortable and stylish way to display your message, photo or logo. Features a fitted cut for a desirable look.




[View Larger](#) [Edit My Information](#) [Edit My Image](#)

XXXLarge XLarge Medium Large Small

Price List

[Add to my Order](#)

Poster Calendar
Did you know we also offer affordable, custom poster calendars? Great for gifts, events, giveaways and much more!



[View Larger](#) [Edit My Information](#) [Edit My Image](#)

Choose Quantity: 1: \$5.00

[Add to my Order](#)

Your Mug


Step 1: Complete Your Order >> Step 2: Recommended For You >> Step 3: Checkout

Matching

[Back](#) [Go to Cart](#) [Next](#)

Create a Consistent Look in Seconds

Mouse Pads
Refresh your desk with a personal touch.




[Edit My Information](#) [Edit My Image](#)

Choose Quantity: 1: \$8.99

[Add to my Order](#)

Pen
An inexpensive and effective way to promote your business.




[Edit My Information](#) [Edit My Image](#)


Choose Quantity: 1: \$3.99

[Add to my Order](#)

Classic Cotton Tote Bags
Make this canvas carry all that's yours.



Hats
Keep your design top of mind.

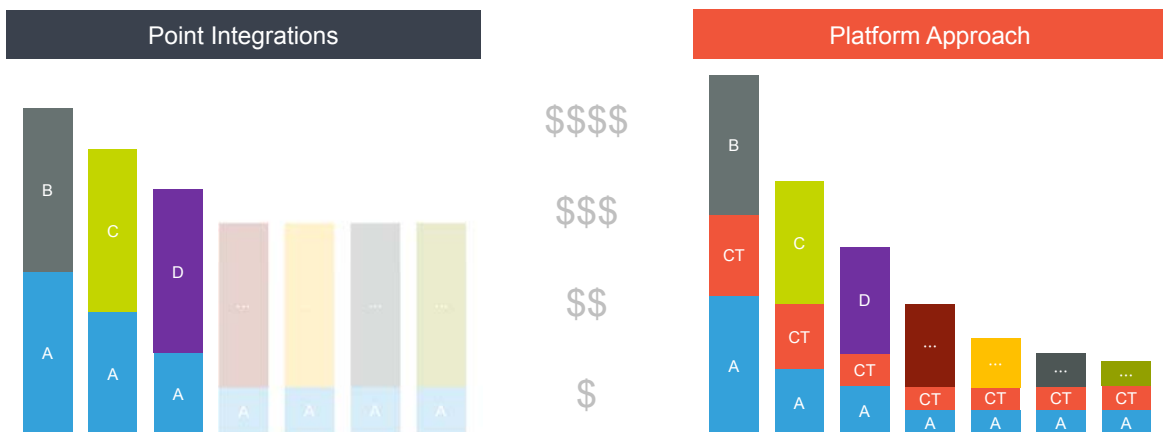


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SO, WHAT ARE WE TRYING TO ACCOMPLISH?

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Platform approach creates opportunities for future connections that would otherwise be too costly or risky



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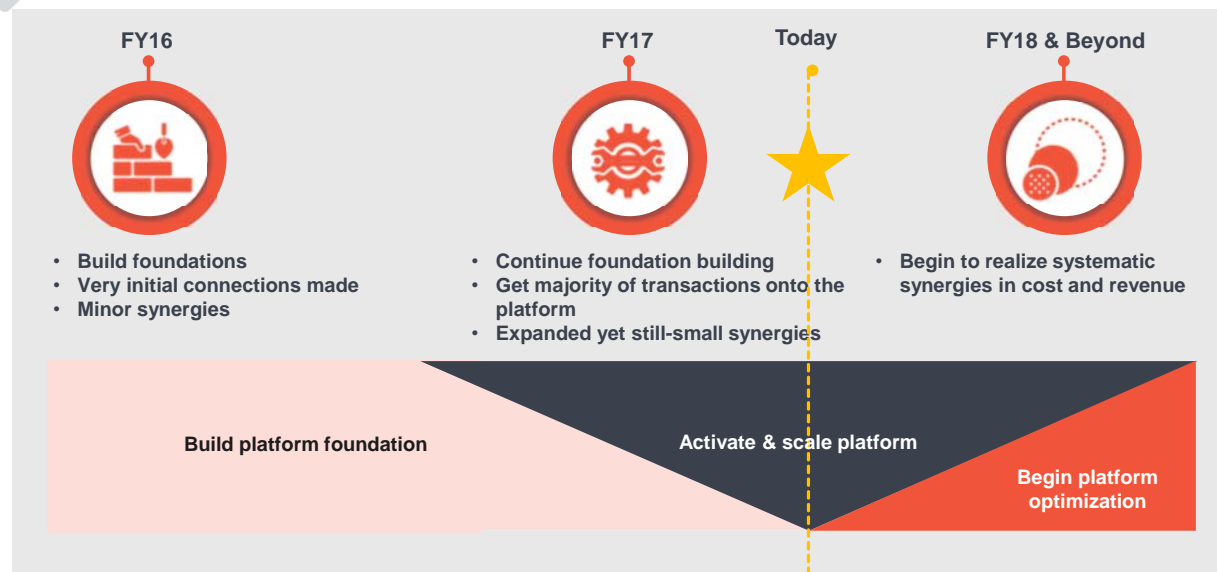
FY18 Priorities

With our decentralized approach, where the use of the MCP is not mandated but Cimpress businesses can freely use where they see it provides competitive advantage, we are seeing increasing adoption of platform technology and are focusing our investments in the areas most demanded by Cimpress businesses, such as the following:

- **Fulfiller Onboarding**
 - Increase the speed and ease to register, introduce new products, grow revenue, and/or gain access to more cost-effective fulfillment.
- **Data mining**
 - Optimization for our fulfillment network and merchants, such as smarter routing.
- **Advanced imagery and document services**
 - Share capabilities that address challenging technical endeavors, freeing our businesses to focus their technology investments elsewhere.

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Transactions remain important but we are now focused on building technologies that our businesses most want to leverage



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CAPITAL ALLOCATION

Sean Quinn, EVP and Chief Financial Officer

 **cimpress**
INVESTOR DAY 2017

What we will cover

- 1 Capital allocation philosophy and history
- 2 Investment overview
- 3 Steady state free cash flow
- 4 Housekeeping

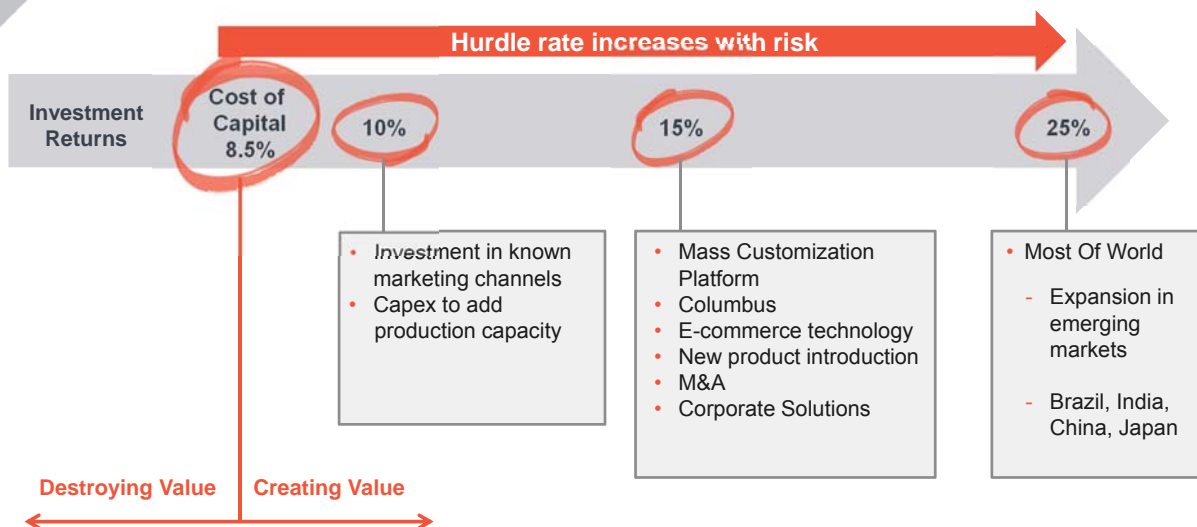
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Capital Allocation Philosophy

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

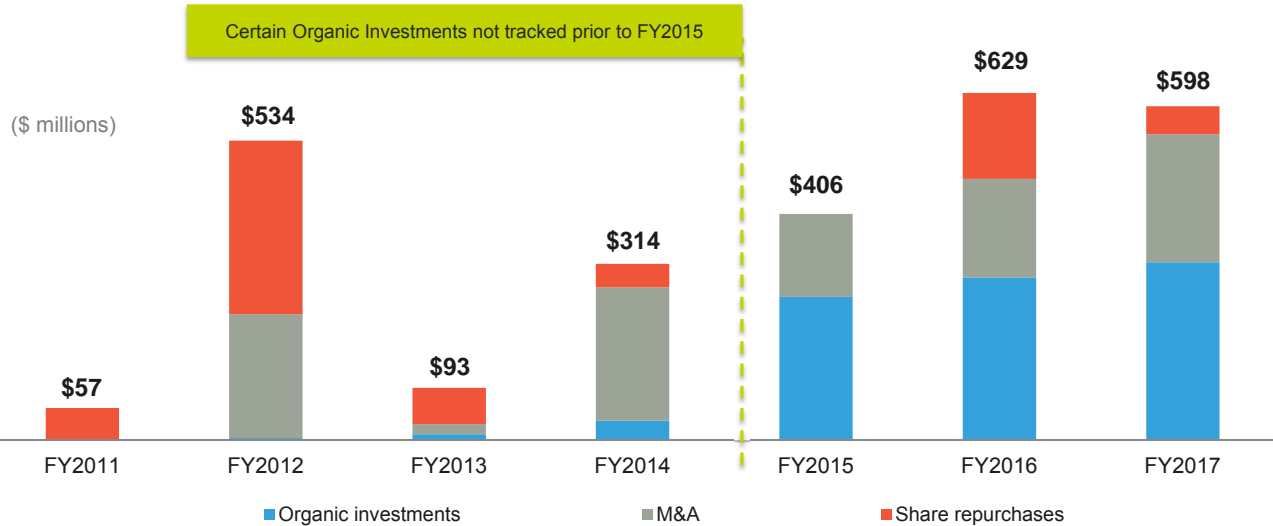
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Indicative investment hurdle rates



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Over \$2.6 Billion of Capital Deployed since FY11



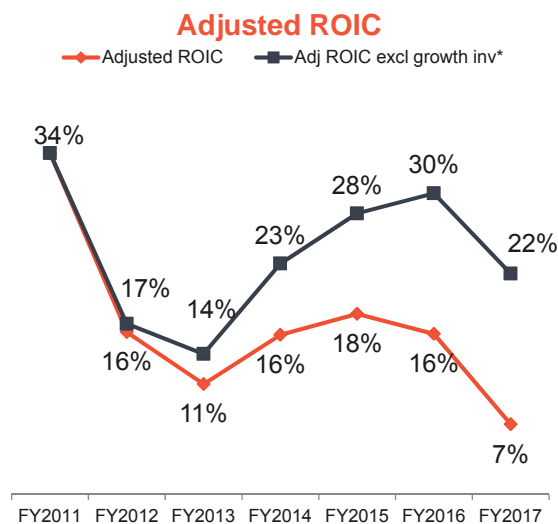
¹ Does not include capital deployed to technology, advertising and other investments prior to FY2015

² Inclusive of transaction costs

³ M&A costs presented net of cash acquired. Includes costs to transfer IP. Excludes contingent consideration amounts not yet paid

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ROIC influenced by many factors



- Multi-year organic investments weighing on ROIC in the near term with expectation of positive contributions in future years
- National Pen timing and seasonality of profits weighing on FY17 ROIC
 - Increased debt fully included in invested capital but no profit benefit yet
- Vistaprint profit impact beyond investments
 - Lower margin in <12 month payback investments
 - Inefficiencies from Q2 FY17
- Other impacts:
 - Accounting impact of new PSU grants weigh on calculation
 - Loss of certain partner profit

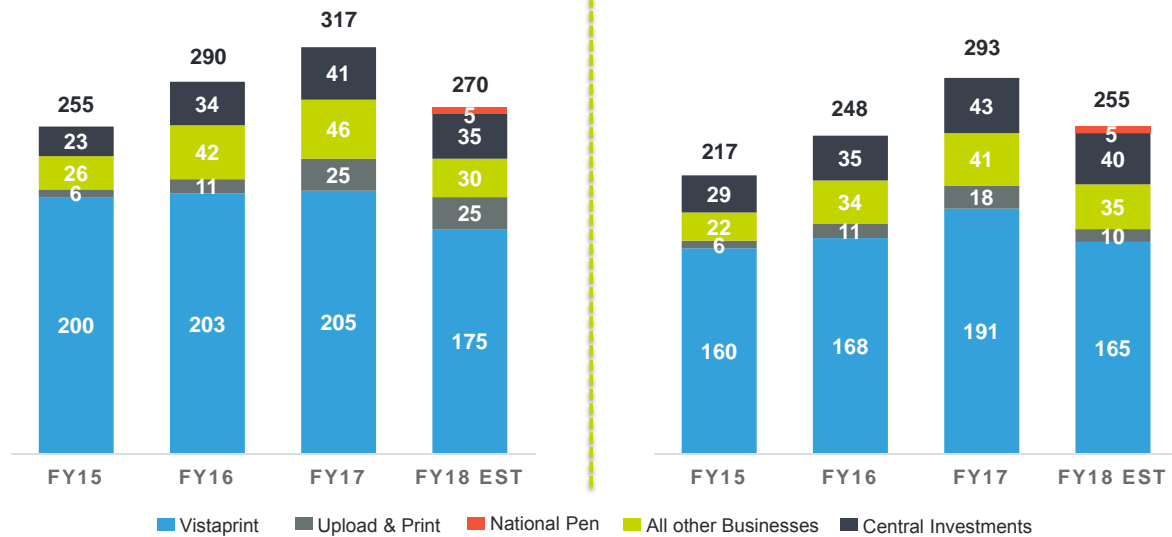
*Adjusted ROIC excluding growth investments calculated using NOPAT excluding Major LT Investments in FY11-FY15, and excluding low estimate of growth investments in FY16 and FY17. Average invested capital is not adjusted. Please see reconciliation of non-GAAP financial measures at ir.cimpres.com.

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Organic Investments

Unlevered FCF Investment (\$M USD)

Adjusted NOP Investment (\$M USD)







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Detailed Investments: Vistaprint

Unlevered Free Cash Flow Impact	FY15	FY16	FY17	FY18 Est.
Columbus	34	36	26	Included below
Selection (new products and attributes)	14	8	18	5
Advertising	65	49	63	65
Technology	40	26	40	50
Shipping price reductions	-	3	19	20
Expansion of production and IT capacity	27	42	12	10
Other	20	39	27	25
Net Impact on Unlevered Free Cash Flow	\$200	\$203	\$205	\$175
Operating Income & Adjusted NOP Impact	FY15	FY16	FY17	FY18 Est.
Columbus	25	35	26	Included below
Selection (new products and attributes)	-	4	19	5
Advertising	69	51	66	70
Technology	36	22	37	45
Shipping price reductions	-	3	19	20
Expansion of production and IT capacity	6	22	1	-
Other	24	31	23	25
Net Impact on OI/Adjusted NOP	\$160	\$168	\$191	\$165





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Detailed Investments: Other Areas UFCF Impact

	Upload and Print	FY15	FY16	FY17	FY18 Est.
	Various Investments	-	2	25	25
	Post-merger integration	6	9	-	-
	Net Impact on Unlevered Free Cash Flow	\$6	\$11	\$25	\$25
	National Pen	FY15	FY16	FY17	FY18 Est.
	Various investments	-	-	-	5
	Net Impact on Unlevered Free Cash Flow	-	-	-	\$5
	All Other Businesses	FY15	FY16	FY17	FY18 Est.
	Most of World	26	38	29	15
	Corporate Solutions	-	4	9	10
	Other	-	-	8	5
	Net Impact on Unlevered Free Cash Flow	\$26	\$42	\$46	\$30
	Central Investments	FY15	FY16	FY17	FY18 Est.
	Mass Customization Platform	14	27	24	25
	Other	9	7	17	10
	Net Impact on Unlevered Free Cash Flow	\$23	\$34	\$41	\$35

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Detailed Investments: Other Areas OI/Adjusted NOP Impact

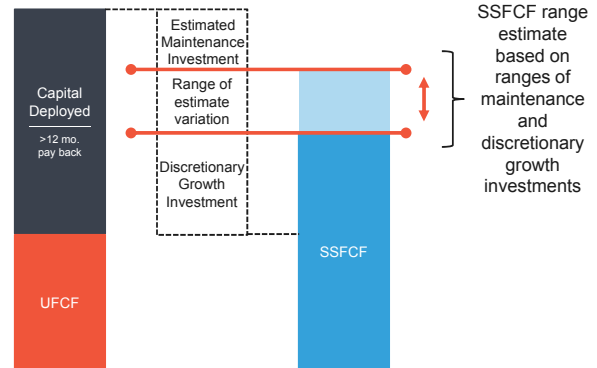
	Upload and Print	FY15	FY16	FY17	FY18 Est.
	Various Investments	-	2	18	10
	Post-merger integration	6	9	-	-
	Net Impact on OI/Adjusted NOP	\$6	\$11	\$18	\$10
	National Pen	FY15	FY16	FY17	FY18 Est.
	Various investments	-	-	-	5
	Net Impact on OI/Adjusted NOP	-	-	-	\$5
	All Other Businesses	FY15	FY16	FY17	FY18 Est.
	Most of World	22	30	25	20
	Corporate Solutions	-	4	8	10
	Other	-	-	8	5
	Net Impact on OI/Adjusted NOP	\$22	\$34	\$41	\$35
	Central Investments	FY15	FY16	FY17	FY18 Est.
	Mass Customization Platform	15	24	25	30
	Other	14	11	18	10
	Net Impact on OI/Adjusted NOP	\$29	\$35	\$43	\$40

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Steady-State Free Cash Flow (SSFCF)

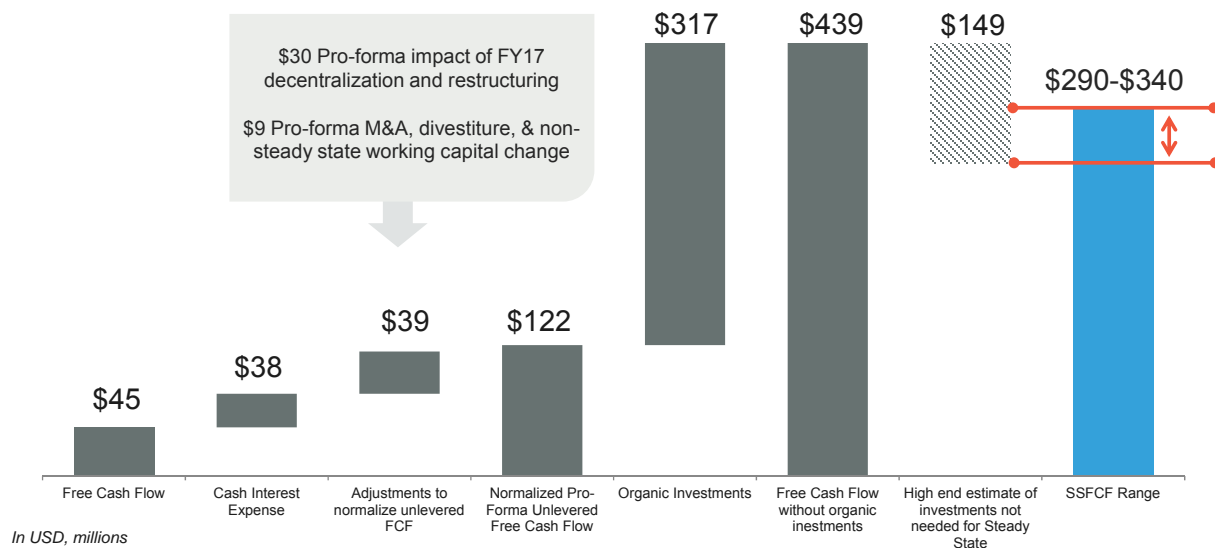
- Steady state is having a sustainable and defensible business that is capable of growing after-tax unlevered free cash flow per share at the rate of U.S. inflation over the long term
 - Maintenance Investment required for stable SSFCF
 - Discretionary Growth Investment to grow SSFCF at rate above our WACC

Conceptual SSFCF Calculation



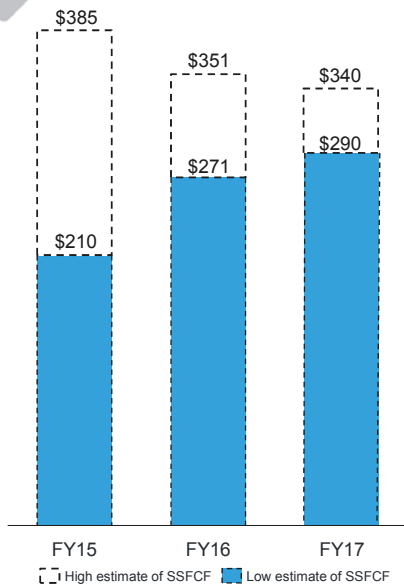
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FY2017 SSFCF Range Estimate



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Evolution of our SSFCF Range Estimates



- We continue to improve our estimates of investments necessary for maintaining steady state
- Several underlying factors weighed on the underlying UFCF into FY16 and FY17
- We expect that we will realize attractive returns from our past investments
- Putting new tools in place to hold operating units accountable for driving returns

We have not tried to retroactively change or narrow the range from our 2015 and 2016 analyses. Please see reconciliation of non-GAAP financial measures at ir.cimpress.com.

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Housekeeping





Revenue Outlook

Organic, Constant-Currency



Vistaprint

Eventual ability to consistently grow at low double-digit rates in the future.



Upload & Print

Continued double-digit growth for these business units for the foreseeable future.



National Pen

Single-digit growth in fiscal year 2018.



All Other Businesses

Double-digit organic growth for the next several years.*

* Excludes divestiture of Albumprinter, planned to close in Q1 FY18



Additional FY18 Items

M&A/Divestitures Full year of National Pen results in FY18 versus six months in FY17; Sale of Albumprinter expected in first quarter of FY18

Restructuring Savings Full year of restructuring savings in FY18 (cash savings ~\$35M higher in FY18 versus FY17)

Share-Based Compensation Year 2 of new PSU program will bring another step up in SBC expense; FY18 estimate is ~\$45M - \$50M (subject to change with grant-date dynamics). Negative working capital impact from plan design changes in FY17 will not repeat.

Taxes Expect cash taxes to be lower in FY18 than in FY17

Cash Tax Commentary



Vistaprint

Has a complex structure of legal entities in their global supply chain, resident in 17 different jurisdictions. The majority of those jurisdictions are compensated on a cost-plus basis for tax/legal entity transfer pricing for the services they perform. We have benefited from tax amortization on a GAAP basis and expect this will benefit cash taxes in future years. If we make additional investments in headcount in jurisdictions where we use a cost-plus transfer pricing methodology, the investment will result in a higher amount of corporate income taxes.



Upload and Print

Most of these business units operate in a few legal entities with most operations based in their home countries. The residual profits of each business unit is generally subject to tax in that country. If we make additional investments in these business units, we expect the costs to be tax deductible, resulting in a lower amount of corporate income taxes.



National Pen

National Pen has a business model where their residual profits for their North American market are taxed in the US and their residual profits from their Non-US market are taxed outside the US. Many of the legal entities in National Pen's supply chain are compensated on a cost plus basis. The tax impact of additional investment depends on where the investment is made.



All Other Businesses

The majority of these business units are currently loss-making in Most of World countries, where we are building up NOLs that we can utilize in the future when these businesses establish a track record of profitability. Corporate Solutions uses a mixed approach depending on the sales model employed. Tax impact of investments depends on where we make the investments.



Central Teams

The legal entities that generally perform central activities such as Finance, IT and Legal are compensated on a cost-plus basis. If we make additional investments in headcount in jurisdictions where we use a cost-plus transfer pricing methodology, the investment will result in a higher amount of corporate income taxes in those jurisdictions.

* The above is true with respect to cash investments. Investments made in the form of stock-based compensation (e.g. Performance Share Units) may not result in cash tax benefits until such time as those PSU's vest or otherwise become payable, if at all.

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New Credit Facility

- \$1.045B, of which \$745M revolver and \$300M term loan; tenor extended to July 2022 (was September 2019)
- Interest expense on debt is LIBOR + 1.5% to 2.25%, depending on leverage
- Funds can be used for general business purposes, share repurchase or M&A
- Key covenants are:
 - Total leverage ratio not to exceed 4.5x TTM EBITDA in line with past facility; this steps up temporarily to 4.75x for 12 months after a material acquisition
 - Senior Secured leverage ratio not to exceed 3.25x TTM EBITDA in line with past facility; this steps up temporarily to 3.5x for 12 months after a material acquisition
 - Interest coverage ratio of at least 3.0x TTM EBITDA

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Conclusion

- Capital allocation at the heart of executing against strategic and financial objectives
- Encouraged by the numerous opportunities we see to deploy capital to value creating investments, but expect lower amount of organic investment in FY18 as we work to optimize past and in-flight investments
- Reorganization strengthens accountability for driving returns as well as ability to measure them

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Q&A SESSION