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PRESENTATION

Meredith Burns *VP, Investor Relations & Sustainability, Cimpress*

Hello, and welcome to Cimpress' 2023 Investor Day. My name is Meredith Burns, Vice President of Investor Relations and Sustainability. I am so excited that you're here with us to learn about the progress we're making across Cimpress'.

Today, we'll hear from executives representing Cimpress, Vista and Upload and Print.

There are management bios available in the speaker bio tab of the webcast viewer. So I want them spend time today introducing everyone. However, I will introduce the new face on the slide, Christina Wick, who was promoted to the Vista executive team in February when Martin moved back to Cimpress only role. She joined Vista in 2021, and today, leads Vista's product, commerce platform and user experience teams.

So here is a view of how we will spend the next roughly 3 hours together. Robert will start with some perspective on FY '23, our advantages and market dynamics across Cimpress. Then Martin will provide an update on our mass customization platform and the state of machine learning capabilities our businesses are adopting. And Paolo will provide an update on our Upload and Print businesses. Next, Florian, Christina, Christina, Basti, Michael, Emily and Sean will take us on a tour of the great progress we're making in Vista. At that point, we'll take a short break and come back after that to go through financial review and outlook.

Finally, we'll finish with a Q&A session with all of our presenters.

In terms of what you expect today, we'll cover both presubmitted and live questions in the event.

(Operator Instructions)

A replay and supporting content will be available on our website after the event. Now some of the numbers that we'll show or discussed today are non-GAAP. You can find reconciliations to GAAP measures posted on ir.cimpress.com or in the download section of the live webcast viewer. And finally, you can expect that we will be sharing our thoughts about the future.

So this is a great time to note that our actual results may differ materially from these statements about the future, due to risk factors that are outlined in detail in our SEC filings and also here on this slide. We invite you to read them. With that, I'd like to turn the presentation over to Robert Keane. Robert?

Robert S. Keane - *Founder, Chairman & CEO, Cimpress*

Thanks, Meredith. And I'd also like to join Meredith in welcoming all of you, our shareholders, debt holders and many others to this year's Investor Day. We have some great content to convey today. I hope it's going to illustrate for you how FY '23 was an important turning point for Cimpress and how fiscal '24, where we are now will be an acceleration of that change.

We made significant investments over the past several years, and they've augmented and expanded Cimpress' foundations. Early benefits of those investments are already apparent in our customer experience, and we're focused on delivering even greater customer value going forward. That customer value improvement drives a proven economic engine, and mass customization. And furthermore, our investments are also improving the efficiency of that economic engine.

More volume and more efficiency in turn are supporting improved profitability and improved cash flow this year and beyond. So this slide illustrates our revenue, our adjusted EBITDA and our net leverage ratio. So the gray columns represent fiscal years 2018 to 2023. The blue columns represent our guidance for fiscal '24. Looking at EBITDA, you'll see that although we have remained profitable over time, recently, we have been in an investment cycle.

And at last year's Investor Day about a year ago, when we were comfortable that we were about to exit that investment cycle, we said that we expected EBITDA would decline year-over-year in the first half of fiscal '23, but then grow again as returns on our investments started to build, as we slowed the year-over-year increases to our cost bases. And as the cost inflation we have been seeing became less pronounced. We delivered on that promise, expanding EBITDA in the second half of fiscal '23 by more than 150% compared to the second half of fiscal '22.

And for the full fiscal year, we delivered $340 million of EBITDA and in fiscal '24, we expect that to grow to at least $420 million, surpassing our previous fiscal year record. Importantly, we expect a higher profitability combined with the anticipated free cash flow generation will reduce our net leverage ratio to below 3.25 by the end of June '24.

So to understand this recent financial turning point, it's helpful to step back and look at some of the key financial metrics over the longer term since progress rarely happens in a straight line. The chart here show our revenue and our adjusted EBITDA for the 20 years from fiscal 2004 through fiscal 2023 as well as our guidance for 2024. And for 2 decades, revenue has marched steadily up and to the right, other than, of course, during the disruption of the pandemic. And now we have returned to that long-term trend with our current revenue level well ahead of our pre-pandemic level.

The EBITDA chart clearly shows our past investment cycles. These investment cycles were followed by profit expansion, and we began a similar recovery in fiscal '23, and I just mentioned our guidance calls for this to continue this year. Of course, today is not the right time to speak about our planned financial results for the years beyond what are shown in this chart. But we are very well aware that we can and we should continue to move EBITDA and cash flow up into the right in fiscal '25 and beyond.

I say that because just as I wrote in the Annual Investor Letter that we published at the end of July. We are all committed to doing better than we have done over the past 8 or 9 years in terms of converting the growing EBITDA and unlevered free cash flow into intrinsic value per share. These charts are obviously financial in nature, but in many ways, they correspond to different stages of our company's development in terms of customer value proposition, technology, production operations, marketing capabilities and our human talent organization.

Fiscal '23 was a turning point in which we moved to a new stage of Cimpress' development, and we firmly believe that we are prioritized -- we have prioritized and therefore, we are positioned to grow IVPS at an attractive annual rate in the years to come. To illustrate why we have the ability to do that, let me step back from the financials and spend some time describing who Cimpress is strategically and describing the value we deliver to our customers.

Cimpress is the inventor and the undisputed leader in the business model of print mass customization. This has powered our multi-decade revolution of a very large and fragmented market. We produce small quantity orders at a cost per unit which is well below the cost quantity trade-off curve of the traditional printing industry.

And in addition to lower prices, Cimpress delivers great value to our customers through convenience, breadth and depth of choice, fast production and delivery times and reduced obsolescence because small quantity orders that we produce for our customers are produced on demand only as needed.

Mass customization leverages the three capabilities that you see on the right-hand side of the slide. The first two capabilities, e-commerce and software-driven order aggregation or production systems are required no matter who the end customer is. The third part on the right is called democratized design. It's required to serve customers who don't have graphic design skills. You'll hear more about the progress we're making to expand the design capabilities of Vistaprint and some of our Upload and Print businesses.

As we talk about that today, Again, that's driving an improvement to the customer experience by providing more design capabilities. The 2 x 2 matrix on this slide illustrates how over time, Cimpress through our businesses has expanded in part by bringing the mass customization paradigm to more complex markets. So let me start by describing what this matrix shows. The horizontal axis represents the graphic design skills of customers. Novices are on the left and professionals are on the right.

The vertical axis represents the complexity of production and although complexity of production when we were making these physical customized products, lower complexity on the bottom, higher on the top. Our businesses began in the lower half of the slide. For 2 decades, Vistaprint has been and remains a leader in the lower left-hand quadrant, which are lower complexity small business print products for customers with limited graph design skills.

Cimpress' Upload and Print businesses are leaders in the lower right, serving graphic design professionals for products that, in many ways, are similar to Vistaprint's products. But under Cimpress' ownership, over the past 5 to 8 years, our Upload and Print businesses have expanded to the upper right quadrant, still selling to graphic professionals but expanding into products that have higher levels of production complexity. There's a picture on the upper right, which illustrates this, for instance, packaging products. But whatever those products are, that has allowed us to really expand our addressable market.

And now the investments that we are making in the democratization of design and in continued new product introduction, are moving us into the upper left-hand quadrant, serving customers who have limited graph design skills, but expanding the product line to higher complexity physical products, which we have already developed in the Upload and Print businesses. Because of the innovation with which we've expanded all our product lines over the past decades, this has increased our addressable market.

And today, we offer our customers a really unparalleled breadth and depth of products, of product attributes and product options, all with the convenience of online ordering. Signage, marketing material, logo apparel, books, catalogs, magazines, labels, wall decor, promotional products, packaging, photo merchandise and many more. All of our product categories are served by our mass customization capabilities and all of our products are available again in small order quantities at affordable prices with the convenience of online configuration and online ordering.

And because of the breadth and depth of our offering, Cimpress' total addressable market or TAM, is enormous, exceeding $100 billion across North America, Europe and Australia. The chart on the left shows the major categories in our market. The chart on the right shows that for each of those categories, online competitors who employ largely traditional business models still account for over 60% of the market. And Cimpress has invested, as we have over the past years and over the past decades in order to continue to drive into those traditional parts of the printing market for long time to come.

We've always seen cycles in which mature products with higher penetration slowdown in terms of growth. But nonetheless, we continue to remain stable or even grow in many mature parts of our market. We've then successfully driven, and we expect to continue to drive growth by bringing the mass customization print paradigm to new and more complex products within the same major 4 categories that you see on this slide.

In terms of market share, we believe that Cimpress is growing faster, not only than the traditional print market but faster than the online market, which includes not only the mass customization focused online players like Cimpress, but also traditional printers and retail chains who use a web and e-commerce interface to take orders. But still the most of the business remains offline. And it's important to recognize that Cimpress' growth and profitability contrast with the state of the printing industry overall, especially the state of traditional printers.

The upper left-hand chart shows that at the same time, Cimpress has continued to grow rapidly. Over the past decade, there has been a slow and steady decline in the number of traditional print providers because online mass customization continues to penetrate the market. The chart at the lower left shows that the vast majority of the 21,000 remaining are print -- competitors are very small. 73% employed fewer than 10 people and [93%] employed fewer than 50.

The statistics in Europe and elsewhere are very similar. Yet small traditional competitors, like the ones you see in the pictures on this slide still account for the majority of our revenue -- of the revenue in our market. And with over $3 billion of revenues, Cimpress is really the polar opposite to these small-scale competitors, and that leads to our scale advantage.

Cimpress has many differentiated scale-based capabilities, which deliver great value to our customer and which drive our competitive advantage. These include software engineering, product development, data and analytics, manufacturing supply chain, design and service, globally competitive talent locations, procurement, e-commerce marketing and team members who are experienced driving synergies through M&A.

We already delivered great customer value, which we are continuously increasing via a flywheel in which our market share gains generated strong cash flows, which, in turn, support investments in our talent base, in our product development and in our operations, and these investments improve the value we deliver to the customer, which starts the cycle again.

These self-reinforcing scale advantages are the key to our long history of profitable growth. The business model, the market opportunity, the fragmented competitive field and the customer value flywheel, which I just reviewed are the context within which we think about how we made a turning point in FY '23 in our financial performance.

And in summary, last fiscal year, we gained traction, thanks to the investments and learnings of the past years. We successfully navigated through a period of high input cost inflation and supply chain instability and therefore, demonstrated the robustness of our supply chain and our advantages in cost and supplier relationships that come from our market-leading scale. We grew revenues and profits in a challenging macroeconomic environment including successfully executing a significant cost reduction exercise, which was enabled in part by Vista's completion of its multiyear technology replatforming.

You'll hear a lot of details about these subjects from our presenters today and a lot about how we're going to improve both the customer value and the intrinsic value per share over the coming years. Financially speaking, Cimpress executives have long-term incentive compensation, which aligns very well with the plans we are discussing with you today.

First, we have business-specific LTI plans for leadership teams of the Cimpress businesses other than Vista. Their compensation payout levels depend on delivering attractive multiyear returns on investment at their business-specific level. Second, starting with fiscal '24, we are now using a new form of performance share units or PSUs for our named executive officers for Cimpress central teams and for Vista leaders. These new PSUs have performance criteria for revenue, EBITDA and cash flow and these criteria are Cimpress-wide for our NEOs and central team recipients and Vista specific for Vista recipients.

Sean is going to provide more details about how these work. The important takeaway for you now is that these new PSUs are tied directly to the guidance, which we are reiterating today.

Today's presentations are going to describe how we are continuing to expand customer value and efficiency and in turn, grow our profits and our cash flow. You'll hear about the significant investments that we've made over the past several years and how they have augmented and expanded our foundations. You're going to hear about the early benefits to those investments that are already apparent in our customer experience and how we are focused on delivering even greater customer value.

You'll hear and see examples of the flywheel of customer and shareholder value creation, which I just described. You will hear about Cimpress' focus on execution and how that's driving more volume through our proven economic engine of mass customization of print. And you're going to hear from Sean, how these initiatives will improve our profits and cash flow in fiscal '24 and beyond.

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

Maarten Wensveen - *EVP, Chief Technology Officer, Cimpress*

Thank you, Robert. Today, I will give an update on our progress on MCP. My name is Maarten Wensveen and let's dive into it. So with our mass customization platform, MCP, we have built a global standard and APIs that help define, configure prove route and produce hundreds of millions of custom product variants that are interchangeable across our businesses and our suppliers.

We create value to leveraging the skill advantage of Cimpress by investing once in the shared capabilities mentioned where we'll dive in today that are very costly and time intensive to make, all while retaining the business as autonomy and uniqueness. So this platform strategy is only 8 years old. We're still on the journey to build MCP as the Cimpress platform strategy.

Like we stated in 2015, building a platform is a 10-year undertaking and when successfully done by companies, it creates incredible shareholder value.

So let's dive into the first capability, e-commerce, specifically for mass customization, where we have data-driven scalable websites, best practices that are then optimized for the unique demands of mass customization. Think of an e-commerce website and all that is involved with. You have a shopping basket, you have pricing calculations, you have marketing automatization, shopper's identity, discount, coupons and so on and so forth.

With customized products just not being stock keeping units, or SKUs, there are many small nuances in how we need to approach e-commerce. And some questions you might ask yourself and, okay, how is that different than the retail? Well, let's take 2 product examples. First one, a product like a banner, we have variable-sized banners that matches the customer's preferred wall size. That leads to a lot of options to customers can choose from, practically infinite.

But it also leads to things like the grommets, where you'll hang a banner from the little round circles, to be -- that we have to automatically recalculate the position of them and how many needs to be in a banner. Another completely different example is take booklets, 16 pages, 32 pages going up that either maybe have a card stock hard cover or maybe a book jacket around it. And when somebody even orders over 100 of these books, we need to present different shipping options since some of these 150 carrier services that we have integrated across the globe may have different weight constructions.

So there's a lot of these things that we have to take into account. Customers can configure the products with ease, while we guide them within the manufacturing constraints. This is almost the opposite of a retail SKU since we have to produce this product on demand in the exact quantity that the customers decides to buy. And the adoption of e-commerce capabilities and MCP is clear with now over $2.3 billion of revenue flowing over these systems.

Let's take a deeper look at the products. In our 340 million products, we name all of these options variances. We'll talk about that more over the presentation. You will see we provide a massive amount of choice to our customer in an easy, selectable way. Our collective global supply chain is unique in its size for mass customization. And with the MCP adoption growing across Cimpress, more customers have access to these expanded choices that our businesses are bringing to the market.

And that leads me to the opportunity. We can now go more deeply since we have so much of our business over MCP. We can now maximize the cross business order flow to expand our product assortment and increase our fulfillment volume. Intra-business fulfillment is an area where Cimpress can really unlock unique value given our full scale and our network of businesses. By making it easier for business to buy and sell from one and other, we enable faster product introductions, faster time to our customers while improving our capacity utilization, all to the benefit of our bottom lines and keeping our margins internal.

When we go to the physical world of fulfillment, where we manage production and delivery of the widest variety of mass customized products. I mean across Cimpress, it's MCP volume, we fulfill around 100,000 orders every work day. On the other end of each of those orders is a customer

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who is relying on us to deliver satisfying each of those customers as efficiently as possible is basically a giant math puzzle where the perfect solution is unknown.

And over a decade, we developed and redefined sophisticated algorithms for order routing, backlog management, item scheduling and shop floor processes to give a very good answer to that puzzle. Ensuring that the customers get their products on time with high quality and exactly as they design them. We married together an independent produced book covers with the book content. We joined multiple items produced on different pieces of equipment with different production times and ensure they end up in the same box to the customer.

All of this orchestration is invisible to the customer. It maintains the illusion for the customer that this is almost as easy and almost as affordable as picking a mass-produced goods of a warehouse shelf. And all that, we need artwork, the designs of the customers. And so with artwork, we enable great design and processing artwork at scale.

As you can imagine, some of the customer artwork that comes to us to be placed on this is physical products, it's just not production ready, and we need to make some changes. For example, an image with a white background that needs to be printed on a black T-shirt, like I'm wearing here, and but -- for instance, leaving the letter O still with the white inside of it will surely lead to a disappointing customer results.

A very other example is we do not ask customers ordering an embroidered product to upload a complex stitching pattern for the needle to go to. We just generated on the fly like magic. All of this is done in the background. And when our machine learning and artificial intelligence system detect or better suspect the potential problem, it goes unseen to our customers to a human expert in our art work teams who make those changes. And when they then do enough of those changes, we even use those corrections by them to train our next generation of systems.

80 million request go to humans, but over 28 billion of these requests go full automatic over APIs. When you think about it, 9 million of these requests will be handled within the 3-hour investment presentation today. That's a lot. I'm proud of that. If you go to -- you can't look at the news or any company today without thinking, are they using or maybe even being disrupted by artificial intelligence. I can confidently say we have not been sitting still.

These artwork and designs are increasingly not manually done by humans. They are heavily assisted by machine learning and artificial intelligence. We've already started that journey years back with the first machine learning practices since we have so much [graphical] data to learn and train our systems. Like I mentioned, background removal for the T-shirt, or the auto conversion of a jpeg image to a stitch pattern for embroidery goes automatically over our APIs.

Today, we do not shy away from any of the newer technologies with inventions like transformers, leading to large language models and the revolution going on in generative AI. We are already starting to use these best-of-breed APIs with ChatGPT, Google, AWS to enhance our productivity and generate customer artwork efficiencies in many, many places. Over 80 APIs in our back end use some form of artificial intelligence while retaining privacy and copyright protection for our customers.

We love these innovations, and we will use them to our fullest extent. All of these capabilities I just talked about generate a ton of data. And we use that data to empower our businesses to make a quick data, data-driven decisions and create in a highly personalized customer experiences for their customers. We are now capturing an excess of over 88 billion relevant customer events in our data master each year. These events are, for instance, an order is placed or there is a new customer and artwork is updated by an API or a human or an order shipped and it goes much deeper and much broader than that.

And our businesses are using this data to make compelling personalized experience in all steps of the customer journey. The adoption and sophistication is first growing across Cimpress, with Vista leading, but many companies starting to innovate. I have an analogy and an example. I'll start with the analogy. Most of us stood in front of the breakfast cereal aisle in a supermarket, and there was so much choice that was just overwhelming. I certainly have that when I came for the first time to the U.S.

Well, let me bring that to an example. For our customers, it's also relevant to ask what product will be most relevant for my industry? If I'm a plumber and work for my car, or I got a cupcake store, and this is where data can really help when we know our customers. We can then more effectively help them to discover the relevant products. This way, we reduced the choice overwhelming effect that I mentioned from the cereal aisle while in the meantime, we're growing our product catalog, which I also spoke about.

This is also true for marketing spend optimization by knowing the customer, the ad spend demand like the cost of the ad and the best product mass. Our businesses are getting more and more sophisticated in their marketing spend. So that was an overview and an impact of all the capabilities going on in MCP. Let's take a look a little bit on what's going -- what's next for MCP in fiscal year '24.

We're going to be focused on executing and supporting 2 areas: strengthening our system resilience and enabling business success, both resulting in increased customer and Cimpress volume. In terms of system resilience, 80% of our Cimpress revenues run over at least some of MCP services and the users' intensity is increasing each year. By focusing on service hardening, availability, problem mitigation and scalability, we ensure robustness and reliability. We will continue to be driving improvements with platforms of the scale and keeping our technical debt low.

While our foundation phase is far behind us, we will keep investing to maintain the speed to market, MCP and our businesses enjoy now and in the foreseeable future. As you will hear from our leaders in Vista and Paolo from Upload and Print, Cimpress businesses are finally tuned priorities for fiscal year '24. And MCP is essential to deliver some of these priorities.

Now the replatforming is complete in businesses like Vista, but also National Pen and Pixar and many more we can turn to optimize those investments for increased customer value. We have truly had an exciting juncture here in the MCP journey with the infrastructure and the talent in place to help our businesses deliver the products, experience, services and value their customers expect and even more. And with that, I'll hand things over to Paolo Roatta for the Upload and Print update.

Paolo Roatta - *CEO The Print Group & Pixartprinting, Upload & Print*

Thank you, Maarten, and hello, everyone. I am Paolo Roatta, the CEO of the Print Group. And today, I'm proud and honored to be here to represent Cimpress Upload and Print businesses. And these are under the PrintBrothers Banner, druck.at, Printdeal, and WIRmachenDRUCK. And within the Print Group, we have Easyflyer, Exaprint, Packstyle , Pixartprinting and Tradeprint.

Now I'm very excited to share with you the progress that we made during fiscal year '23. So let's start and delve into our journey. The fiscal year '23 results across the collection of Upload and Print businesses were strong, and our revenue and EBITDA were at record levels. If you look at the chart, you see that revenues for last year were recorded at $925 million, which is an increase of 8% versus the year before. If you consider organic constant currency growth, the rate is plus 16%.

Now looking at the reasons for the growth. Some of this growth earlier in the year was facilitated by price adjustments, which were our response to counterbalance the input cost inflation that we have served in the latter half of fiscal year '22. But a significant portion of our revenue surge is due to the introduction of new products, introduction of new services and expanded customer base, favorable market conditions and also a significant increase in our new customer acquisition.

Now looking at the EBITDA. This was $131 million in fiscal year '23. And this is an increase of 4% versus the year before, despite a $7.7 million of year-over-year currency impact on segment profit. The margin -- the EBITDA margin was 14%. However, it's worth noting that the combined Upload and Print unlevered free cash flow did see a decrease compared to the previous year. This was primarily due to some temporary shifts in our working capital within the group, which are circumstantial rather than systemic.

Nonetheless, our free cash flow conversion hovered around an impressive 70%, which I believe is quite a strong result. Now for the rest of the presentation, I will describe what I believe are the reasons that we are able to achieve these strong results. So Robert talked about the dynamics in Cimpress market. The favorability we see is only magnified within the Upload and Print space.

Small traditional suppliers struggled during the volatility of the pandemic. But we believe that they found it even harder to manage through the subsequent effects of paper shortages, other supply chain challenges and the inflationary pressure. We, of course, we're not immune to these market challenges, but our largest scale and higher margins give us an advantage compared to traditional suppliers who had fewer levers to pull when input costs increased.

Last year, I told you that our businesses adjusted prices and covered the inflationary pressure well without meaningful degradation in profit margins. Now we have begun to see underlying input cost decreases. In some areas like energy costs, all local market participants get the same cost increases. However, in other areas, our scale-based procurement advantages have helped us and will help us negotiate decreases when suppliers are not as willing to give up recent gains. Our margin structure in any case, will ensure that we can continue to invest in new capabilities and extend our advantages to drive customer value regardless of market fluctuations.

Now let me shift focus to our achievements in the course of the past fiscal year. I would like to discuss 2 key areas: product innovation and efficiency. Our drive for innovation isn't just about newness, it's about unlocking opportunities. Our goal is to enable our customers to order smaller quantities of custom products that previously were only available in high quantities with long-lead times.

We are consistently rolling out new products and features that are not only affordable, but also yield a healthy profit margin for us. Consider our introduction of digital printing for individual hardcover books that we launched this past year or our venture into new substrates, labels, then there's our diverse array of finishes for packaging and catalog.

Last year, I discussed our foray into the flexible packaging domain with Packstyle and the introduction of Doypack pouches and film. That journey continues. With innovations like, for example, a dispenser spout designed specifically for liquid packaging. While each innovation in some cases, might appear small in isolation, their combined effect over time is quite monumental.

The topic of futuristic strides across our core operations, I would like to mention that we are also exploring the domain of generative AI as well. We are eager to understand its potential, how it might reshape our competition, the way we work and the talent we need. It's an exciting journey, and we are ensuring it informs our vision for the future. We also continually strive for production efficiency gains, the second topic of this slide, making progress daily, monthly, quarterly, annually.

Our adoption of MCP capabilities as highlighted by Maarten amplifies this effort of ours. In fiscal year '23, we utilized our integrated platform to bring production closer to our customers, for example, achieving cost benefits while also reducing our CO2 emissions. A casing point is our Tradeprint facility in the U.K., which now manufactures large-format products for Pixartprinting, U.K. (inaudible) a task previously undertaken in Italy.

This change speeds up delivery and reduces shipping expenses. At the same time, for our Druk customers in Austria, business cars now originate from Vista's European hub in the Netherlands, leveraging the manufacturing efficiencies, Vista has perfected. Additionally, as part of our efforts to amplify the efficiency of multipage item production, we have continued to invest in collaboration with our technology suppliers, whom we regard as partners.

Together with them, we are pushing the boundaries of the printing technology, both in digital and in offset to drive cost savings and deliver greater value to our customer. Now also, beyond launching new products, we continuously focus on developing innovative services. And this of course has a positive impact on the trust and on the loyalty of our customers. For instance, in our rapidly expanding packaging sector that I mentioned before, what we call folded carton, we've pioneered the introduction of the customization of all 3 dimensions, so [Stephan Heights], such 3D customization grants our customers the freedom to design packaging that seamlessly aligns with their requirements, thereby elevating their product presentation.

This translates, of course, in stronger customer engagement and of course, the result is rising sales. Also in our ongoing effort to enhance delivery services, for example, with expanded customer choices, including the option to choose a delivery to a pickup point. This not only enhances user convenience, but also reduces the costs associated with the last of an expensive delivery mile and benefit to both our finances and the environment.

Further, with our e-commerce replatforming, thanks to MCP, we have introduced online editing tools and design services across our brands. Such enhancements have notably amplified our sales by providing users with a more streamlined friendly interface. We've addressed previous challenges faced by customers such as applauding compliant files. The success of this services enhancement is evident in both our growing sales and in our ability to engage previously untapped customer segments.

Other customer experience improvements we made in fiscal year '23 are to build data capabilities and experimentation that enable better site experience, personalization and improved customer service all further empowered by the capabilities provided by MCP, of course. For example, Drukwerkdeal or Printdeal in English and WIRmachenDRUCK have leveraged data and tools to automate and personalize customer communications and loyalty programs. And the trade print, we've invested in automation for customer service, which has allowed a significant portion of inbound requests to be answered efficiently and also outside of standard office hours.

Customers can self-serve more easily. And over time, we expect we can gain operating leverage as this business continues to grow. Drukwerkdeal was recognized recently for building an experimentation culture. While we appreciate this award, we believe that the genuine value lies in the hundreds of experiments and changes undertaken by Drukwerkdeal. These efforts have not only elevated user experience, but have also resulted in a plus 9.6% boost in conversion rates and have enhanced customer data acquisition, enabled a seamless incorporation of services within the product purchase journey.

Also, I want to focus on the CSR. In Europe, CSR, Corporate Social Responsibility, is extremely important with our customer base that shows an increased sensitivity towards environmental sustainability. Reflecting the sentiment throughout fiscal year '23, our Upload and Print businesses have been constantly introducing more eco-friendly products. This isn't merely a business strategy it embodies our overall commitment to CSR.

Such dedication not only mitigates potential risks, but also aligns us with the growing customer base, mindful of their ecological footprint. During fiscal year '23, we registered considerable advancements in responsible forestry and in our progressive phasing out of harmful materials like PVC. Our journey involved thorough testing and learning, leading to the introduction of sustainable alternatives.

Now our commitment to corporate responsibility goes hand-in-hand with our dedication to our most valuable asset, our people. We are channeling investments into our team, boosting retention and productivity while simultaneously amplifying our talent acquisition effectiveness. For example, Drukwerkdeal sent multiple team members to organizational development training, Pixartprinting initiated the what is called the Leadership Factory program in partnership with renowned academic institutions, elevating engagement across all team members. Meanwhile, WIRmachenDRUCK has introduced innovative learning tools that benefit both our team and also our customers.

Now, we saw many successes in fiscal year '23 that delivered real benefits to our customers, to our team members and also from a financial point of view. As we look ahead to fiscal year '24, our strategic priorities focus on the following 4 areas that you see on the slide. Number one, investing in manufacturing technology to foster product innovation and efficiency, ensuring our customers receive superior value. Number two, amplifying our data capabilities to create richer personalized customer experiences, broadening our market reach. Number three, expanding our range of products with more sustainable options and refine our marketing strategies for that.

And finally, persisting in our dedication to talent, talent development and talent engagement. As I described last year, we have a long history of creating opportunities where it didn't exist before. We will continue this focus in fiscal year '24, of course, and we will continue working to leverage the strength of each of our businesses and also the collective benefits of being part of this group, Cimpress.

In fiscal year '24, while we no longer have the revenue tailwind of a pricing increase, we do expect to continue to grow revenues, profit also by continuing to actually pursue cost reductions with the support of our share procurement services and cash flow. And enhance the value of Upload and Print businesses to Cimpress and its investors.

Robert mentioned in his annual letter to investors this year that collectively, the Upload and Print businesses have generated cumulative cash flows since acquisition that approximate the total capital we have invested, and have strong prospects for future growth. We are quite proud of this fact, and we look forward to delivering the future growth. Thank you very much. And now let me introduce Florian from Vista.

Florian Baumgartner - *Chief Executive Officer, Vista*

Welcome, all, and thank you, Paolo. My name is Florian Baumgartner. I joined Vista in 2019, and I became Vista's CEO in February. The common thread across my whole career from McKinsey to Amazon and to Vista has been to obsess our customers. And over and over, I've been impressed by the value that businesses can create through a combination of customer-centric innovation and operational rigor. I'm convinced that it is this combination that Vista needs most at the current point in our journey.

This is a truly exciting time in the company's rich history. Today's Vista has a global footprint, is a market leader in printed products and has over 11 million customers per year. And it's these customers that motivate me and the rest of Vista. Think for example about your favorite barber shop, a great local coffee spot, your go to Friday night takeaway. Each image on the screen represents a real small business, and these small businesses are important to their local communities and economies. Their demands are continually changing. They never stand still and neither will we.

For a small business owner, it's really hard to stay on top of marketing when you're also the one balancing the books, training the staff, making deliveries and running the market stall. And that's where Vista comes in. We can help them establish credibility to go out and win their own customers. Making small businesses look and feel credible, has been in our DNA from Day 1. This is not new to us.

The statement that you see here written on the chart is from the first paragraph of Robert's first business plan written in 1994 of the company that would become Vistaprint. And Robert was convinced then that we could help small businesses look and feel credible with high-quality professional business cards, and he built his company on the back of that promise. And what started with business cards has since expanded into everything that a small business owner needs to market their business from their logo to their menus, signage, apparel and social media.

Let's not underestimate how important it is for small business owners, a brand is an extension of themselves. There is an emotional connection and how they market themselves online, on their social's and In person, helps them engage and gives them credibility. That is why we are as convinced today that Vista is uniquely positioned to become the expert design and marketing partner to small businesses. That is our North Star.

So what is it that only Vista can do? What will set us apart from everyone else? And why should customers choose us? The answer to that is threefold. Number one, only Vista can provide customers with expert design help anywhere in the journey, ranging from immediate small fixes to a full-service design offering. Secondly, only Vista allows customers to find and design any physical product that meets their needs. And third, only Vista can leverage our unique production system and Cimpress' mass customization platform to produce products at a low cost and offer them to our customers at a fair and competitive price.

These are the reasons that I deeply believe customers will choose Vista and will stick with Vista. And we're going to share much more with you in this session. But first, I want to give you a brief reminder of the transformation journey that Vista has been undertaking. Vista's transformation has driven key changes and progress. It is an understatement to say that a lot has changed over the last 4 years in Vista.

Let me outline some of these changes as well as the significant progress that we've made in the last fiscal year. First is the migration of our technology platform, which we've covered in previous investor calls. This was a 3.5-year journey that consumed a vast majority of our product development resources and it also significantly constrained our ability to improve the customer experience and introduce new products until the beginning of FY '23.

It was a big investment, and it was key for us to transition to this modern tech stack in order to unlock the opportunities that we identified as essential to our vision to become the expert design and marketing partner to small businesses. And one of the biggest opportunities we're going after remains design. We talked about this a lot in past investor calls, design is absolutely crucial for small business marketing. And together with digital, it makes up well over half of small businesses marketing spend.

So let's briefly click into design. Customers who use design services are more valuable. Let me walk you through this chart and start on the left-hand side. Here you can see that customers who pay for design services, and that's the light blue portion of the bar also spend more on marketing. They account for 64%, 64% of the total addressable market. And historically, Vistaprint focused on DIY and free design customers. We're now focused on unlocking the market that comes from those customers that purchase design services.

The right-hand side of this chart shows what happens when we successfully engage with these customers who are willing to pay for design services. They are represented by the dark blue line, that's the upper line, versus those who don't, and that's the yellow line. And in short, you can see that they are much more valuable over time. In fact, their cumulative gross profit ends up being roughly 2x that of customers who do not pay for design services. And that is why we're elevating our design service offerings, ranging from AI-based assistance such as logo maker and we'll talk more about that and the integration of capabilities from our acquisitions of 99designs, for example.

Digital is another big part of the pie chart I showed to you earlier. So I want to briefly touch upon our partnership with Wix, which has made great progress over the last 12 months. We have now completed the migration of our legacy customer base into the Wix suite of products, which is demonstrably better experience for our customers. And we're seeing growth in both free and premium website subscriptions, and we also expect digital services revenue, therefore, to return to growth in the back half of FY '24.

And of course, we continue to launch new features. It's worth noting that the lifetime value that we generate from these customers places them right among our highest value customers. Besides bringing us one step closer to seize the opportunity in design and digital technology migration also allowed us to make strides in improving the quality and the breadth of our product portfolio. That, combined with less discounting, more sophisticated pricing and the corresponding evolution of our brand means that we're now serving more of our customers' marketing wallet.

I'll bring you through some key and exciting data points in a second that will speak for the progress that we've made. And these indicators that I'll show and we will underline how the steps that we've taken are starting to have the desired impact. Now every time there is a lot of opportunity, focus is important. And as you can tell from this slide, there's only a small number of objectives that we are laser-focused on in fiscal year '24, which you can see here.

We have quarterly key results built around these objectives with cadence reviews to track the delivery. And really what you should take away from this is we're absolutely focused on 5 key areas this year. And while we haven't structured our presentation today around these 5 things, you will see these topics come through consistently in the rest of the presentations today. This increased focus plus the completion of tech migration allowed us to reduce our cost base as communicated in March.

We also expect to drive significant reductions in our input costs after a period of significant inflation in areas such as paper prices and energy costs. And over a multiyear period, we've driven increased efficiency in our advertising spend as well, which we expect to continue in FY '24, along with a focus on our most important products and services.

All of that taken together is leading to significant profitability expansion, which we demonstrated in the June quarter and will continue in FY '24.

Now I just brought you all through a lot. So I want to pause here and briefly summarize. Number one, Vista has been undergoing a multiyear transformation, starting with a complete migration of our tech stack. Number two, we are now positioned to unlock opportunity in design and digital services, and we're just getting started there. Number three, we've taken big strides in product portfolio breadth, quality, pricing and brand promise. Number four, we've narrowed our priorities down to 5 objectives. And number five, we worked hard to reduce our cost while still being able to deliver growth.

Next, I'm going to bring you through some of the key data points, that we believe are very promising for our strategy. The chart that you see here shows the evolution of our variable gross profit by customer decile. And the first thing that catches the eye on the chart and really that shouldn't surprise anyone, is that our top customer deciles drive most of our gross profit and contribution profit. But what's really important is what's driven the growth in FY '23 was the growth of the top data. In fact, 70% of the increase in Vista's total variable gross profit from FY '22 to FY '23 was in the top customer decile.

And by the way, this data isn't on the chart, but we know from our customer research that many of our customers could support similar spend levels. So what's behind that variable gross profit growth in our top customer decile? Well, among other things, we're showing really strong growth in order values above $200, $300 and actually get stronger, the higher the value grows.

This is significantly higher than our current average order value of USD 80 and a reflection of the overall shift that we've been seeing and reflecting who we are as a business. One contributing factor behind this development is that we're seeing cross-category purchasing behavior, which again is a reflection of the work that we've done broadening our portfolio. And by the way, only 27% of our customers purchase across multiple product categories today. So there is still a lot of potential there. So in case you were wondering when we talk about focusing on higher-value customers, this isn't just about bringing in new customers, it is capturing more wallet share with existing ones as well. Not just in the highest decile but obviously also in the next several deciles.

All of that taken together has allowed us to continually expand gross profit. We've been able to accelerate per customer value and that goes both for first-time customers, that's the chart here on the left as well as repeat customers on the right. Both of these metrics are showing continued strong growth. It's also worth playing out here that from 2000 until 2016, there was an unbroken period of time when we had increasing gross profit for first-time customers. That started flattening in 2016 to 2019. But now you can see how we've reignited that multi-decade trend, which has been the key part of driving this as long-term growth.

And this overall resulted in a improvement in our per customer lifetime value, as you see on the slide. I've shown you on an annual snapshot basis, you see these bars increase. But even when you tease that apart, and that's what's shown in this slide and look at the cohorts. You see how we've been able to consistently increase per customer lifetime value with every cohort that has come in since fiscal year 2019.

These data points show that we're on the right path. I'm delighted to now introduce the rest of the Vista executive team who will share some of the biggest developments and opportunities for Vista with you all. Firstly, Christina Wick, who leads product experience and Basti Klapdor who leads technology and data, and they'll talk to you about our focus on product development. Then Michael Fries, who leads Europe and global manufacturing will update you on physical product and manufacturing. Emily Whittaker, who leads North America, Australia, New Zealand, India and Global Marketing, will then bring us through our brand and marketing strategy, and finally, Sean Quinn, CFO of Cimpress and Vista will update on our financials, including cost reductions and growth drivers.

With that, I'm now going to hand it over to Christina and Basti.

Christina Wick - *SVP, Product Experience, Vista*

Thanks Florian. Together Basti and I lead product development. And today, we're going to walk you through some of the highlights resulting from our recent investment in product. Reflecting on recent years, there is always clarity on what we want Vista to be, the expert design and marketing partner to small businesses. Our challenge has been working backwards from this ambitious North Star while going through a giant technology migration and resetting our ways of working to the empowered product team model.

The customer problems we are solving today require us to work together in new ways. And as Florian mentioned earlier, we can now pursue these opportunities because we are operating on a modern tech stack and have moved past all of our post migration work. We are at a true turning point in Vista's history. For the first time, we have product development aligned across Vistaprint since our prior acquisitions of VistaCreate and 99designs by Vista.

Our teams are aligned to ensure they fully understand the customers. They are serving in a way that allows them to know and anticipate their needs. Product teams are now also clearly aligned with customer problems. We have outlined to solve in our FY '24 product strategy. They have clear ownership and autonomy, and they are aligned with our technology architecture in a way that ensures we are working with rather than against the architectural guidelines and patterns that enable our product teams to deliver quickly responding to customers in a holistic way.

We are fully committed to ensuring our product teams are successful, and we have been leveraging best-in-class resources and talent and have been investing in training, coaching and scaling our product teams in the best techniques of product development. As product development, we are driving progress against these 3 major themes in our FY '24 product strategy and we are doing it in a focused way.

Our product strategy focuses on improving the current site experience. Vistaprint.com will drive growth the acquisition by building an intuitive, relevant and compelling site experience to improve conversion rate and win the customer during the first impression. To accomplish this we will address customer pain points and our end-to-end experience from mobile to [desktop]. We are building design help and expert services into a key differentiator for Vista.

We will deliver on our brand promise by seamlessly integrating our design and expert services touch points at the right place and time in the customer journey. And lastly, dramatically improve operational excellence. To deliver these foundational experiences, our infrastructure, technology and how we work will evolve so that we can better solve customer problems and deliver more efficiently.

So let's take a look at one of these examples of strategy in action. Our do-it-yourself or DIY editor experience is one of the most important to get right, and the experience of the editor plays the very big part in customer completion rates. We have been focusing on making key tasks simpler, like uploading images and viewing and browsing galleries.

We've made multiple improvements to our simplified quick mobile editing experience. And we've been reducing steps, for example, uploading and designings now in a single screen. So when we talk in our strategy about building products our customers love, it is grounded by this principle that things just work and work well, minimizing friction and frustration, which makes a huge difference to our customers and in turn, to the growth of Vista.

The combined impact of these improvements to tools and usability that we have rolled out has an estimated annualized variable gross profit midpoint of $15 million and there are so many more opportunities we are exploring, testing and building in this area alone. Continuing on this theme of easy do-it-yourself design experiences, let's talk about logo maker our automated online logo design service that leverages generate AI that we launched in Q1 of FY '23.

In the second half of FY '23, more than 340,000 customers created and downloaded logos, and we continue to see a significant increase in the number of logos being made on Vistaprint. Because of our recommendation engine shows that logo being applied to relevant products, we are seeing tens of thousands of customers purchasing print within 30 days of creating a logo, about 30% of which are new customers. This is an excellent example of our unique strength in applying design to relevant print products.

Another unique capability is our expert design network. We invested in integrating 99designs, back-end services to reduce customer confusion and purchase friction. We know that customers want to spend on design to convert to be print customers as well. For example, 30% of our customers purchasing our Expert Design logo Essentials package spend with us on print within 30 days.

Now customers can complete product selection brief completion added to their cart and complete payment for these expert services on vistaprint.com. To further scale our expert design services, we are doing continuous discovery work to help us best expose these services in our core customer journey on Vistaprint in a way that is valuable and usable for our customers, feasible and viable for our business.

We know from past discovery work that customers want access points to design services, and all types of help along the journey, and they want it in the proper context at that point in time. If they are stuff designing a product at the tap of a chat button, they can quickly get to a design expert for that assurance they want, whether that's helping with their tools or acting as an extra set of eyes while they finalize their design.

I'll now hand things over to Basti to share how the work our teams are doing is resulting in a reduction in our complaint rates and some of the exciting developments happening in the experimentation in machine learning spaces.

Sebastian Klapdor - *EVP, Technology & Data, Vista*

Thank you so much, Christina. Yes, I'm humbled to be here today with you and present in my new role being now responsible for engineering and data at this time. I'll cover three topics today. First, our progress in making fixing -- in terms of fixing the basic on experience and catching up to e-commerce this practices. Secondly, how we use experimentation to guide us there? And thirdly, I'm going to share examples for how we leverage our ML capabilities, or the machine learning capabilities to really make a leap forward and drive value for customers and our shareholders.

Okay. Let's get started with the basics, getting to e-commerce best practices. So within the last 12 months, our complaint rate is down by 23%. And since the launch of the new platform, our teams have actually delivered hundreds of new features to catch up to e-commerce standards. The new tech stack has unlocked that ability to do that to rapidly change and iterate on experience. Every product team can continuously and independently deploy their new features using automated CICD pipeline.

So that means they can basically push their own code into production and they can continuously do that. And that has allowed us to address a lot of these customer pains that Christina talked about, for example, in the DIY editor.

Often these, to say, very obvious things, like for example, the integration of Apple Pay, which would have been very complicated on the old platform, whereas on the new tech stack we were able to launch that just after a couple of weeks after we have the new platform live. And since December now '22, we have an average of 20,000 orders per month using Apple Pay. So as a matter of fact, many of these small improvements have driven 50% of that reduction in complaint rate. Other improvements were, for example, a combination of things like design services or better support to our Care teams or fewer delivery issues because that all goes into the complaint rate, but, the biggest piece clearly comes from the enhanced usability of the website.

And I think that provides a great encouragement for our teams and for us that we are working on the right customer problems. However, this is not where we stop. There are still many, many, many areas to catch up, for example, significantly better support on mobile devices. And, we fully expect to see the customer complaint rates even further go down by addressing these pin points as they are also outlined in our FY '24 product strategy.

And in addition to that, through the changes that we are making in the way we are working. Things like increasing the amount of time our product teams are actually talking to customers. They're putting prototypes in front of them to validate the solutions before the engineers start to write the code because then it becomes, it gets very expensive. So we want to derisk that before and make sure they are working on really valuable and proven and tested features and solutions.

So overall, that then also means that we are increasing the ROI of our engineering and product development resources and that will help us to deliver faster and more impactfully for customers. Okay. Experimentation. For many of the improvements we're making, we are using actually experiments to inform whether they are driving the value that we intend them to drive.

And the good thing is that we've seen a number of experiments in the last years continuously increased. Just, for example, in for August 2023 and up 33% versus August last year. And that is great because that's an indicator for a more data-driven product development. But it's not just about the quantity, the pure number of the experiment. It's also about doing better experiments in a smarter way. And therefore, we're investing and we have been and we still are investing into tooling and upskilling, talents across Vista to run experiments.

So they're not only the data and the tech folks can run experiments, but really that everyone at Vista who needs to work on the experience, be it marketing, be it in a regional team, be it in the product development teams, they can run these experiments, analyze them and improve the experience. And as I said, what we're also obviously trying is move things further up in the development cycle, not only test after we coded and build something but already test way earlier, for example, by testing things with customers, prototypes with customers.

So on this slide, you see two examples of experiments that have actually driven a big impact for Vista. Therefore, I brought them. One is from marketing, where we changed the home page [Hero], just by changing that and measuring that, we saw a 6.9% higher homepage content engagement rate. Which then resulted in an uptick of 2.4% in revenue per visitor.

The other example you see on the left-hand side of their pages from customer care, in Q2, we conducted five different experiments to determine how customers can best reach the customer care when they have issues checking out on the website. So through these experiments, we measure then -- we found the optimal placement and experience for that help digit. And through that, basically, we drove a 0.8 percentage point increase in overall conversion rate, and that is equaling round about $5 million annualized BGP impact. So as you see, there's a lot of impact in improving these many, many small things. But we don't only want to optimize these small things. We also want to make a leap ahead. And that brings me now to my final slide about Machine Learning.

Now Europe [Maarten], that we made significant investments into ML and Artificial Intelligence applications. And I'm to say I'm very, very excited that by now we have 10 of these Machine Learning applications live in production for, from customer care, over recommendations, presentations, is a big space there to also dynamic pricing, for example. And I'm very excited because this is actually a very, very high number compared to industry standards where typically you see 90% of ML application getting stuck in the testing environment in development in POCs and they never make it to continuous use in production. And, the key driver for that success has been our approach to view data as a product and build these data products in cross-functional and power product teams. And we frequently get that feedback that Vista's is one of the most impressive cases to drive tangible financial impact from data and data as a product, including most recently at a Global CDO Conference at the MIT, where we are quickly participating to build our employer brands as we build up the data and tech teams over the last years.

Now before we get into the specifics of these applications, we estimate that Machine Learning and AI supported customer experiences enable a significant share ranging around about 10% of our annual variable gross profit through both efficiency and effectiveness. And most of that and often it really comes from the personalization of how customers experience Vista. Let me quickly guide you through the individual use cases here. So pricing, similar to many companies in the past year, Vista also faced a challenge of, obviously, cost-driven margin pressures.

And we tackled the challenge and we're able to offset much of the inflationary pressure and achieve a significant multimillion gross profit contribution last year through an optimized pricing strategy. So good, better, best architecture quantity curve optimization, but also through a better pricing architecture. And here, Machine Learning comes to play, we have now for a significant share of our assortment and Machine Learning-based pricing optimization, where we have a reinforcement learning model that automatically optimize the prices for quite some of our products in the assortment.

Customer care. We have more than 5 million care contacts every year, and we use Generative AI models, so large language models to actually automatically translate summarize and categorize these contexts into reasons, so that we identify the products and enrich it with information. With that information, we can basically, our teams across Vista can then do early pattern recognition and detection, "oh there is something wrong with a certain product, oh there is something wrong with a certain player on the website " and then initiate countermeasures early on using these trends basically. All of the data that goes in there is anonymized, obviously and sanitized before we train these large language models.

Design. Christina talked already about the LogoMaker and the impact it drives from new customer acquisition and significant parts of that are driven by Generative AI.

Performance advertising. You will hear from my colleague, Emily in the next, in 1 of the next sections that our marketing efficiency significantly improved, which is especially true for the performance marketing. And what we've done here is investing into automated bidding and Machine Learning-based campaign optimizations, and that drives also double-digit million gross profit every year. When I come to the presentation space, personalized promotions. So what we're trying to do, obviously, is get away from these broad brushed mass promotions to way more targeted ones and use Machine Learning to do that.

For example, things like we now have a promo sensitivity models for, an individual customer basis that enables us to target or suppress certain customers and eligibility for certain promotions. And in personalized recommendations, that is also a huge [VGP] driver for us. We use these recommendation capabilities basically to provide a more personalized experience for each of our customers on the site, but also by e-mail. We do that for brand new customers. So even if you're not locked in, you can just get familiar with our most relevant products. So as you browse over the website, we're showing relevant products and content based on your browsing behavior. So with every click with every interaction, the model is learning and through the flow, personalizing your product experience. So it makes it easier to compare and find the relevant products on Vistaprint.

For returning customers, you'll receive personalized product recommendations by e-mail or in your account pages when you lock in, and they are based basically on your previous design jobs on the customer data we have and it brings up matching suggestions based on the industry. Just the recommendation piece on its own is we estimated that it drives 5% to 6% half of the overall VGP uplift from Machine Learning. What we also now do is using reinforcement learning for our e-mails. In the past, we had one e-mail for business customers. Now we have multiple variations of e-mails that are going into, again, a reinforcement learning algorithm and the model is learning as it sends out these e-mails on an individual customer basis. And when an e-mail performs well, it scales up to traffic for their e-mail and sends it to more relevant customer segments.

So very excited about that as well. This is now live in our top 6 markets and is also driving double-digit VGP number in, for Vista on an annualized basis. I'm super excited, as you can see, not only by all of these data and other things, but also about the things that Christina talked about the alignment we have through Vista to our topology and technology, and that gives us a true platform for success. And we're very confident that many, many opportunities on top of the ones we have in production, which I talked about today lie ahead of us as we innovate and solve the customer problems guided by inspiring product vision.

Let me now hand it over to Michael Fries, to share more about our physical product assortment.

Michael Fries - *EVP, Europe & Global Manufacturing, Vista*

Yes. Thanks, (inaudible) and hello, everybody. I'm Michael Fries responsible for our European business and for Vista Global Manufacturing. But now you've heard a lot about our customers and how we use technology to provide products and services our customers love. Now I'm glad I can share some perspectives of the physical products we sell to our customers. I'll begin by showing the evolution of our product types over recent years and where we've seen the most growth. This graph shows our top line on the left and the corresponding variable gross profit on the right. We compare FY '18, FY '22 and FY '23 to understand both the short-term and the medium-term evolution from the start of our transformation until today.

We look at this evolution in 3 buckets: First, Business Cards in stationary in light blue. These are our foundational products containing business cards, letter heads, envelopes, stamps, note pads and more. In yellow, you see Photo Consumer and Merchandise. Those are our consumer products containing greeting cards, wall calendars, photo books, wall decoration and photo gifts. And in dark blue, you see other physical products called Other, because it contains such a vast and diverse world of different product categories.

Those are the more recent additions. And as you can see, also the segment that is growing most, here you find signage, marketing materials, labels, packaging, promotional products, apparel and gifts, our PPAG category. So a lot of different product groups. What can we take away from these numbers? Firstly, that we are strongly growing in the newer product categories, growing bookings as well as variable gross profit. Since FY '22, those newer product categories make up more than 50% of our bookings. This is driven by new product introductions and by improvements in the way we present and sell these products. We have developed specific capabilities for presenting these complex products and enabling our customers to design them online. A lot of our attention goes into growing these assortments and in developing choice as well as technology from online design to manufacturing capabilities.

Secondly, we are slightly growing in bookings and variable gross profit in our foundational products, business cards and stationary. For these products, we are also ahead in variable gross profit versus FY '18. So even after the acceleration of market trends that we saw during COVID in many industries, our foundational products are doing well. And thirdly, consumer bookings have declined from the level of FY '18. The bigger change versus FY '18 is intentional. As part of our transformation, we cut inefficient marketing spend in the consumer market and now focus more on small businesses.

Our North Star is to be the expert design and marketing partner to small businesses. Against FY '22, we've kept bookings almost stable and only see a slight decline in our consumer segment. This shows that our overall customer strategy also supports our Consumer Products segment, small and medium businesses also by consumer products and our marketing also attracts consumers.

As you will understand even better later in Emily's marketing presentation. For the future, we want to run consumer as a stable and slightly growing part of our business. Many of the improvements that we are creating in our total experience will also be very positive for consumer. Introducing new products and growing the assortment is a key driver of growth. In FY '23, we more than doubled the bookings that we drove via new product introductions compared to FY '22. We grew from $25 million of bookings in FY '22 to $58 million coming from NPI, new product introductions in FY '23. Growing our assortment can have many different dimensions. We may add a new paper time like bamboo or hemp for business cards. We may add a new format like additional stamps opening up new use cases for our customers or we may add completely new sets of products like our flexible packaging product lines. All of those additions are done to provide our customers more choice and add use cases that help our customers promote and run their businesses successfully.

The majority of NPIs driving $39 million bookings were driven in the newer and faster growing segments, thus contributing to 31% of the bookings growth that we saw in this segment. Some examples of recent product additions are an extension to our retractable banner range, double-sided banners, new substrates for single stickers, high-quality tote bags new substrate for labels and the whole flexible packaging assortment. For business cards and stationery we added $9 million in bookings by, as I already mentioned, new substrates for business cards extensions to our set assortment and many more additions. Also, consumer added $10 million via new product introduction, reflecting our commitment to this part of our business, new calendar types and formats, frame prints, napkins were additions that supported our consumer segment.

In FY '23, as you can see, our NPI activity has been much broader than in FY '22, and we accelerated our NPI launches. There continues to be opportunity in all of our product segments. We expect to grow substantially along this axis also in FY '24. Signage is a great example of one of our best growing categories. As you can see from the photos, it's a very diverse category with many different applications. And from the photos, you see products like banners in choices of vinyl, mesh, retractable banners or science in metal, acrylic, lawn signs, posters, many different choices of flags, window decals, exhibition stands in diverse choices and many more products.

The number of applications is growing by the day. Who would have thought of buying an individual flag a few years ago. And even today, many people are unaware of the ease of attractive pricing of these products. The accessible market is growing, as you can see, for example, from customer statistics that 35% of window decal users and 28% of poster users weren't even purchasing them a few years ago. So we give access to product segments to our customers that has not existed before.

Everything that can be personalized is potentially part of our promotional products, apparel and gifts in short PPAG offering. And PPAG is a whole market in itself. The ideas for personalization are evolving as is the manufacturing technology. We are growing the range of substrates with a growing capabilities to print on different geometries, we are growing the range of products. And those products include a really diverse range, as you can see from the images.

We offer drinkware, bags, food, electronics, sportswear, workwear, writing tools, apparel from T-shirts over polos and hoodies to many more products and all kinds of gifts. Every area you see defines the submarket with its own growth opportunities. And all those markets are still being established. It is also interesting to note that the boundaries to our consumer offering are very fluid. You can look at most of these product areas through business lens or through a consumer lens. This creates a very natural opportunity for Vista to expand our consumer offering as well.

PPAG perfectly fits to our mass customization capabilities that are core to Vista's DNA. They consist of creating a simple, efficient and beautiful online process for designing and ordering, supported by expert design health. Making it simpler for a small business owner and a consumer to find and purchase the articles they need through a broad selection. Enabling businesses that so far, we're unable to buy these kinds of products especially by offering low minimum order quantities and offering design help and providing all of that with very fast throughput and delivery times. 63% of the market is still offline and very fragmented. With our capabilities, there is a big opportunity to move purchasing behavior online and grow in this market and gain market share.

We have created major improvements in our product presentation as well. These improvements have been made possible by site migration. And ratings and reviews is one element where we have driven strong improvements. To the left, you sense the emotional impact from a high number of reviews and a good rating, it inspires trust.

After migration, our new platform enables a much better review collection process. Thus, we were able to grow the creation of reviews by factor IV, as you can see on the left graph, and, also, the improved process improved the average ratings that we received from 3.5 stars in the past to now 4.4 stars and growing 4.4 out of 5. So we've really improved the impression that we create. And from our analysis, we know that these improvements drive trust in our products and in us as a company and the conversion rate on the site.

Before I hand over, I want to finish by underlining the vital role of manufacturing plants are playing in growing our assortment and improving cost efficiencies, quality and overall customer satisfaction. Our manufacturing engineering teams deliver value in diverse areas. Operating plants that produce on-demand, a wide range of products within a few hours every day is in itself a big achievement. We ship many millions of high-quality orders every year. Additionally, each new product, as discussed earlier, requires implementation of a manufacturing process that we can execute in high-quality inefficiency every day. Our growth and innovations in our manufacturing processes help drive multimillion-dollar cost improvements.

This happens in several domains, like optimizing our processes through continuous improvement. Improving, replacing production lines with new technology that reduces the cost of material and labor, bringing products we previously outsourced in-house and capturing scale-based procurement savings in the larger Cimpress context. We drive better customer experience by continuously improving our processes, reducing complaint rates and driving up NPS.

Operating an excellent on-time delivery ratios introducing throughput times are important building blocks for our customers. Our manufacturing teams are innovating every day for delivering value to our customers and to our shareholders. Now they are busy to prepare for Q2 and to deliver on our FY '24 plans. Thank you for your attention. And with that, I'll turn things over to Emily Whittaker to explain you more about our marketing world.

Emily Whittaker - *EVP, North America & Global Marketing, Vista*

Thanks, Michael. Hello, everyone. I'm Emily Whittaker and it's an honor and a privilege to be here with you today. As many may recall, last year, we introduced fiscal year '23 as a year of Vista testing and learning, in particular, on how to strike the optimal balance across the marketing full funnel. And specifically testing the results of a new creative platform across a much more diverse marketing mix focused on driving short-, mid- and long-term goals. The approach focused across all functions of marketing. From on the ground partnerships to the stories we tell and the media we use to tell those stories, including how we show up in relevant ways on social media or in search. The core hypothesis being at a healthy balanced funnel, boost marketing effectiveness at every point.

Our efforts manifested in 3 key areas: Establishing a new ownable creative platform, testing and scaling our approach to paid media and lastly, building upon our community connection. And my update today, I'll provide an update along these three areas as well as offer a look at how we carry these learnings forward and scale in FY '24. Starting off in FY '23, we established a brand-new brand concept called WePrintThat. This concept doubles down on our print products and solutions. It showcases the breadth and depth of our product range, it's ownable and distinctive, and it's scalable across funnel stages, campaigns and categories. It's scaled across both small businesses and consumers that Michael talked about. We believe that this creative gives us a consistent platform to continue to build upon. And excitingly, we've started to see the results in shifting customer perception as measured by our brand tracker.

Through the consistent use of We Print That, we've observed a 4% uplift in prompted awareness or customers who can recall our brand, and a 7% increase in consideration or those who would choose VistaPrint for their purchase. And so here, I'll show you the original reprint that concept that we unveiled to you last year. And after that, you'll immediately see the latest evolution called WePrintThat for them. This highlights our product craft as told through the stories and the use cases of real small businesses. Take a look.

(presentation)

Emily Whittaker - *EVP, North America & Global Marketing, Vista*

Awesome. FY '23 also led us to focus on our paid media and testing extension. All of these tasks were in service of an improved optimization across our marketing mix and improving our automation. Here, you see the benefit of that investment in automation, which [Fausi] touched upon earlier, across all of our media channels. And by performance media here, I'm referring to those channels that are digital programmatic and that could be optimized to return on ad spend. We see, you see that we made a shift in FY '22, evaluate to spend decisions on gross profit instead of bookings, and this change has become a primary input of our automation tools. The chart on the left shows the revenue growth that we've seen through paid channels. And the chart on the right shows that we've also improved our efficiency over time.

This data is specific to paid search nonbrand, our largest channel, but the trend is consistent across all of our performance media. And based on these results, we're confident that our investment in automation in conjunction with consistent experimentation and applied learnings from FY '23, we will continue to drive even further improvements to the impact of our performance media. We do recognize that there is an opportunity to improve the contribution of our free channels, those that are owned and earned, which is a large portion of our approach going forward. You'll see that through our focus on content marketing, this upcoming year. And to give you a sense of the impact of the tests we ran, let's zero in on one of the test markets in particular.

France. Here, we ran a year-long series of experiments to understand the incremental business impact of investing more dollars beyond our performance media channels. The data you see here highlights some of the learnings. Notably, these efforts drove new customer acquisition. Along with traffic, order bookings and profit from new customers. We also observed that this investment is stimulated more searches for our brand, which we use as an indicator of brand health and market share. These experiments give us confidence that further optimization of our marketing mix can help Vista build stronger brand salience and perception with customers. This is very important to us as we believe the greater the brand salience and perception will help us to increase the contribution to our owned and earned channels.

And to that end, the results were not limited to these examples. Importantly, we saw that the increased investments at the top of the funnel makes our lower funnel activities work harder and become more effective. For example, we saw in France variable gross profit impact from search growing by 3% year-on-year. However, our total spend in that category is down nearly 20%. New customers didn't just grow in France. And so building on that success, we're excited to share that our efforts drove new customer growth for the first time since 2018. To the tune of 4.5 million first-time customers in FY '23. That's a growth of 6% year-on-year. Importantly, let's also recall the progress that Florian shared at the beginning of the VistaPrint section that we see growth in our top decile customer as well.

We also see that the value of the new customers continues to grow, with variable gross profit per new customer increasing 12% year-on-year. Lastly, in FY '23, we focused our efforts to foster meaningful partnerships largely in three ways to build connection, impact culture and enhanced community. And so starting from the ground up, a true connection happens on the most personal level through our ambassador program called the Vista Collective. Today, the Collective includes 75 small businesses, across U.S., Canada, United Kingdom and Australia. And they serve a variety of roles, including creating over 3,000 pieces of organic social content on their channels. About us. We expanded our social presence and reach driving 12 million impressions through the Vista Collective content and channels. We use that material from the Collective to power our social channels and our on-site merchandising. They are also the faces of VistaPrint, living and breathing in the communities that we live in. They are the brand and they have been the focus of 11 campaigns and seasonal efforts.

And as a brand relevant to small businesses, we need to be relevant to the culture of where small businesses live and operate. As such, we continue to leverage our relationships with the Celtics and Liverpool. And we've added another cultural phenomenon to the next with Wrexham AFC. With these partnerships, we're able to make small businesses relevant in their community through programs like small business as a game or match or even drive foot traffic to storefronts with events like (inaudible) in the wake of the Celtic run to the playoffs or Wrexham after their promotion. This helps us to create high-impact content and ads. An example, we partnered with Liverpool to create storytelling around holiday and day in the life of the small businesses in Liverpool. With the Celtics, we have an ad dedicated to if Boston use it, we print it.

And let's take a look at the most recent content from Wrexham highlighting in a fun way, how we serve small businesses and drove more than 2 million impressions through this piece of content. Let's take a look.

(presentation)

Emily Whittaker - *EVP, North America & Global Marketing, Vista*

Okay. And lastly, as part of these efforts, we want to drive impact in the community. And a large part of that is doing, is giving back to the small businesses in their needs. And to that end, VistaPrint and Liverpool have made in addition to monetary donations, we partnered with small businesses in Liverpool who to provide access to VistaPrint products, services, one-on-one support and guidance and support from Vista advisers. We've also partnered with Celtics to create a Power Forward program, where in addition to a grant, VistaPrint is helping -- has been helping those recipients with beautiful products, design services, including logo and brand refreshes and of course, marketing consultations. And this is really exciting. So let's take a look at the most recent Power Forward winner announcements to see the impact.

(presentation)

Emily Whittaker - *EVP, North America & Global Marketing, Vista*

So as we look forward, we seek to continue to build upon this work and the learning in FY '23. We seek to scale and optimize in some key areas. First, we'll continue to expand the ad ecosystem around. We Print That concept focused on integrating across the funnel and our priority products and solutions. We'll continue to optimize our media mix to balance the short-term profitability and long-term new customer growth in the context of heightened competitive pressure. We'll seek to leverage our ambassadors and partnerships to reinforce our relationship with our customers and drive awareness and consideration through high-impact, press, content and programming. And lastly, we'll amplify the 4 Ps: product, pricing, promotion, placement through our ongoing work to drive the right effective price, the right merchandising assortment and the right seasonal strategies to attract our customers.

We'll also invest in new marketing levers to drive growth impact. FY '24, will see us build a much more deliberate and intentional content marketing strategy to strengthen Vistas' brand salience and to improve the performance of owned and earned media. We'll continue to test and learn and deploy new creative automation tools to accelerate scale and streamline the creative production and traffic process. And of course, keying into something (inaudible) surfaced, we'll continue to invest in more relevant personalized customer marketing aimed at driving engagement, retention and driving loyalty. Okay. Now I have the distinct privilege to hand over to my colleague, Sean, take it away.

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Great. Thanks a lot, Emily, really exciting stuff. I'm going to finish this section here by covering this recent cost reductions going through our growth investments, and then I'll provide some financial commentary for FY '24 that I think will be helpful for investors as well. So first all, on cost reductions. Back in March, we outlined significant cost reductions at the Cimpress level. Of which the largest source was in Vista. This is annualized cost savings from those actions will be about $90 million of the overall $100 million that we disclosed at the Cimpress level. On the slide here, you can see the breakdown of that $90 million of annualized savings by P&L line item, and I'll just start with our cost of goods sold. There, we expect about $90 million of savings between some head count reductions that we made, but also input cost savings that were already locked in at the time of giving that guidance back in March.

For our advertising spend, we reduced this by about $10 million on an annualized basis due to decisions that we made to deprioritize spend against certain markets and services. Beyond that $10 million, and Emily just indicated this earlier, we're continuously experimenting and have, over the last year, has been able to increase spend efficiency. That will, of course, remain in focus beyond just this $10 million. For our nonadvertising marketing spend, the actions that we took resulted in about $35 million of annualized savings, that's primarily from head count but also from agency spend reductions as well. For Vista Technology, we expect about $16 million of annualized savings. And in G&A, we expect about $10 million of annualized savings.

As Florian noted at the beginning of the session, those cost reductions have been enabled by a few things. The first thing is the technology migration being complete, which allows us to think differently about how we do things, but also about how we organize ourselves, the second thing is increased focus and really holding a high bar for the prioritization of how we're allocating resources, partly in response to a higher cost of capital. And then the last is a push for increased efficiency. We've already experienced $22 million of those savings in Vista in FY '23. A few million was in the March quarter, the rest of that in the June quarter. And so that leaves about $68 million of incremental benefit in FY '24 compared to FY '23. And we expect that to be realized from Q1 to Q3, and that will, it will be approximately ratably recognized over that time.

We're confident in the achievement of those savings. And the reason we're confident is that the actions required to drive those savings have already been taken. We're also confident because we see these savings already realized so far in the September quarter. Which are very much in line with what we've outlined. So those are material cost savings, but we've made those reductions while still prioritizing a significant amount of growth investment. So let's turn to that. The slide here shows that the trend in -- shows the trend in Vista growth investments over time, and this is based on the data that we show every year in Robert's annual letter to investors. And in there, we make estimates about the portion of our cost base, that's growth investment and what is simply needed to maintain our steady state business.

There's judgment here as we make those estimates, and that judgment is most notable in the category that you see here in light blue, called product development and marketing, which includes mostly people investment and mostly related to technology, user experience, data and analytics and our marketing teams. For FY '23, those gross investments of $102 million that you see here exclude the cost that we reduced as part of the March cost reductions that I just outlined. And so you can think about that $102 million for FY '23 as really an exit rate of growth investment as we head into FY '24. And we don't expect any meaningful fluctuations in that number for FY '24 because we're not anticipating a ramp in hiring or other accelerations of spend.

The takeaway here for Vista is that we reduced investment levels as part of our increased focus and prioritization, and that is contributing to our cost reductions. It's not the only piece of it, but it is a piece of it. But there's a meaningful amount of growth investment that still remains. And that's primarily focused on product development and marketing and brand-oriented advertising spend in the areas that you've heard about today. Finally, we do get a lot of questions from investors about margin trends in Vista, given the fact that it is our largest business, and there has been a number of changes, as we've talked about today. And so I'm going to discuss those trends to help you understand how margins have progressed since FY '18. And FY '18 is a comparison point we've used throughout this presentation as it's a point in time, pre-pandemic, but actually, more importantly, it's the last full year before the start of our transformation journey, so 5 years ago.

I'll also provide commentary as I walk through this on what to expect for FY '24 as well, and that will be a level of detail beyond the guidance that we've already provided. So to start out with revenue, Vista's revenue grew 9% on a constant currency basis in FY '23. That's actually in line with the revenue growth that we had in FY '18. Again, that's the year before we started Vistas' transformation. The underlying drivers that were different. In FY '18, that growth was supported by inefficient advertising spend. In FY '23, our growth was supported through improved pricing, but also through new product introduction, and you heard Michael talk about that earlier. As we turn to FY '24, we previously only given guidance at the Cimpress level, that guidance, and, I'll talk more about this in the next section was for at least 6% constant currency growth, we want to achieve that without Vista also achieving it.

And based on the improvements and the capabilities that we've been talking about today, we hope to do a bit better than that Vista, but in any case, at least 6% constant currency growth. As we move to the kind of next line down in the P&L, from a margin perspective in gross margin. In FY '18, our gross margins were 60% in FY '23, they were 54%. Most of that change is due to product and fulfillment mix changes, in particular, with growth coming from products that have a lower margin than many of our small format products. You saw that in Michael's slide, the impact of consumer products in terms of decreased gross profit but also the extent of growth that has come from categories like signage, like promotional products, packaging, labels, marketing materials. To a lesser degree, that margin differential is due to input cost increases that we had in FY '23 that weren't fully offset by pricing increases.

And that was, in particular, impact in the first half of the year. And then also the impact of some of the recent acquisitions that we've done in Vista that have a different margin profile. Looking ahead for FY '24, product mix changes will continue to weigh on gross margins to some extent for the same reasons that we've already outlined. But we have the savings that I also talked about in terms of reduced input costs and other efficiency initiatives. And so we do expect gross margins to expand slightly in FY '24.

Moving to advertising spend as a percentage of revenue, that was 22% in FY '18. It was 16% in FY '23. And that includes a substantial reduction in advertising spend that we made starting in 2019 to cut out inefficient spend. We've fundamentally changed how we look at advertising in terms of our measurement, in terms of the tools that we use, the extent of data that we leverage. And as you heard from Emily, we've been experimenting more and more with our channel mix as well. Our improved customer per customer value to that Florian outlined earlier also increases the return on the spend. For FY '24 and actually even beyond that, we expect advertising spend as a percentage of revenue to be in the 15% to 17% range on an annual basis. We expect that will fluctuate quarter by quarter, but on an annual basis, 15% to 17%. So if you just take a pause there, we've had gross margin contraction over the last 5 years.

That's been offset by efficiency and leverage in our advertising spend. To move now to OpEx as a percentage of revenue. And the OpEx here, that doesn't include any restructuring costs if we had them in any period because that doesn't impact our segment EBITDA, we handle that outside of segment EBITDA. We have included here as well payment processing costs as well. That was 22% in FY '18. Although in hindsight, we were, we think that we were a bit underinvested in certain areas of our product experience at that time. It was 28% in FY '23, which includes higher investment levels, especially in the first half of FY '23 prior to the cost reductions that I outlined. For FY '24, we expect to deliver about 200 to 300 basis points of leverage in our OpEx relative to FY '23, again, driven by the cost reductions that I've already outlined.

Depreciation and Amortization is a component of OpEx, and you need that to bridge to segment EBITDA. We've been getting a bit of leverage there over recent years, a point between FY '18 and FY '23. We expect a bit more there in terms of leverage from FY '23 to FY '24. So if you add all that up, the EBITDA margin was 21% in FY '18. It was 14% in FY '23. And Again, keep in mind, the first half of FY '23 had deeper growth investments, but also still negative net impact of cost inflation. We've said in the past that we expect Vista segment EBITDA margins can approach 20% of revenue in future years.

For FY '24, we expect that will be 16% to 18% EBITDA margins for Vista. So we're definitely moving in that direction. Then just for some of the larger areas that impact our cash flow, first CapEx as a percentage of revenue. It's been lower due to a focus on pricing and eliminating inefficient advertising spend, both of which have had an impact on volumes over the last 5 years. But also, it's been lower due to improved efficiency utilization across our Cimpress network and also the use of third-party fulfillers for some of our faster-growing categories.

We expect similar levels of CapEx as a percentage of revenue in FY '24, so between 1% and 2% of revenue for Vista. And then lastly, capitalized software has come down slightly since FY '18 but we expect that will remain at approximately 1% of revenue. So in summary, we're still investing significantly in Vista. You've seen examples of that today. We're doing that while driving very material profitability expansion, which was clearly evident in the fourth quarter of FY '23. That will continue in FY '24. That will be the single biggest driver of profitability expansion for Cimpress this next year, and I'm going to cover that in the last section. But before I do that, let me turn it back to Florian to wrap up this Vista section. Florian?

Florian Baumgartner - *Chief Executive Officer, Vista*

Thanks, Sean. All right. Let's do a brief recap of what you heard from us today. So firstly, we brought you through where we are in our transformation journey and why we deeply believe that Vista is uniquely positioned to become the design and marketing partner to small businesses. We also walked you through our uppermost priorities, focusing on building technology-enabled products that customers love, while at the same time, continuing to deliver physical products that our customers already know and love from Vista and how we're telling the story through our brand and marketing efforts. And lastly, an update of our financials, including cost reductions and growth drivers.

But let's close this update where we started, and that's our customers. Vista has an incredible opportunity to help each of these small business owners better than ever before and in ways that weren't available to us in past years. Myself, the entire executive team, the entire Vista team are excited and incredibly focused on delivering results in the years ahead and we're incentivized to do so, as you heard from Robert in the opening session. We have clear priorities accountability systems and look forward to sharing our continued progress through FY '24. And now I'll turn the presentation back to Meredith.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thanks, Florian. All right, everybody. We are going to take a 10-minute break. We'll see you back here with Sean's Cimpress financial update and then the Q&A session. Just as a reminder, you can submit questions for the Q&A session through the webcast viewer, our questions and answers chat feature. See you soon.

(Break)

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

And welcome back, everyone. I will now introduce Sean Quinn again to discuss Cimpress financial results and outlook. Sean?

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Thanks alot Meredith, and maybe just one more advertisement. This is the last section. And so, if you have any questions, please feel free to submit them, and we'll get them queued up for the Q&A, which will happen after the section.

So, in this last section here, I'm going to cover a few things. First, I'll cover a brief look back at our financial performance in FY '23. I'm going to cover a few topics around capital allocation and capital structure, and then I'll wrap up going through our outlook for FY '24, and I'll go through that in a bit more detail than we've already provided externally. So let's get started.

On the next 5 slides here, I'm just going to do a quick financial overview of FY '23 results for each of our businesses or business groups. There's a lot on each of these slides, same format for each slide, but I think these are a helpful reference point for investors. And so I'm just going to go through and highlight a few things, but just know these are primarily here for your reference. So starting with Vista, you can see that Vista had $1.6 billion in revenue in FY '23. That was 9% organic constant currency growth over last year. As I discussed in the Vista section, after lapping both our increased growth investments, but also the net impact of cost inflation in the first half of FY '23. Profits grew in the back half of the year. With building returns on past investments as well as a full quarter of benefit from the cost reductions that we announced in March, and I outlined earlier.

The pace of profitability expansion was significant. And as previously noted, we still have $68 million of these year-over-year Vista cost reductions that will benefit FY '24. Next up is Upload and Print, Paolo already walked through at a high level, the Upload and Print results. The results here have continued to be strong, finishing at record levels very good execution, market structure tailwinds that Paolo referenced and, of course, leveraging the share capabilities of Cimpress as well. I should highlight here and Paolo mentioned this, too, but it's important that we had approximately $8 million of negative currency impact on segment EBITDA in FY '23. So that, to some extent, masked the profitability improvement and also the cash flow delivery in these businesses.

We hedge that exposure from a currency perspective and the related gains there are at the Cimpress level, not here at a segment level. Later, I want to actually go through the returns on invested capital for this portfolio of businesses, and you'll hear that, that's been very strong. For National Pen, National Pen reported revenue of $366 million with an organic constant currency revenue growth of 12%. Segment EBITDA was $24 million. But this is also hurt by year-over-year currency fluctuations of $8 million.

And therefore, if you were to look at this in constant currencies, there was actually meaningful growth in both EBITDA and cash flow year-over-year. National Pen unlevered free cash flow did still grow by $5 million in reported terms. We don't have a separate section on National Pen today in our presentation. But they are similar themes to what you've heard from Paolo earlier, but also from the Vista team, which is after years of technology re-platforming, there's an opportunity in National Pen to accelerate customer value delivery with an emphasis on growth in e-commerce channels and also in product categories other than writing instruments such as bags and drinkware.

For BuildASign, which is part of, as we reported externally our all other businesses, reportable segment, revenue was $187 million in FY '23. EBITDA of $28 million and continued strong free cash flow conversion. In this business, we've seen some fluctuations around the pandemic surge that pulled forward demand in home decor products a few years ago. And then inflation and input costs also had an impact in FY '23 on these results. That's now stabilized and we're starting to see cost decrease as well. The team here is executing well. Among other things, they're focused on optimizing their manufacturing operations to be able to support both future growth but also to improve efficiency.

The next up is our early-stage businesses, also part of our, all Other businesses segment as we reported. Revenue here was $26 million for fiscal year '23. That's a 13% increase in organic constant currency growth compared to last year. This is now limited to just our business in Brazil after the exit from China in FY '23. So in Brazil, we have a business that's positioned to continue to be a market leader, there's a large market there. It's very fragmented. It sets up well for the transition from traditional suppliers to online as we've seen in our other markets.

We expect to keep our efforts in terms of early-stage investments focused on (inaudible) in Brazil. which is nearing EBITDA breakeven. And now just from a structural standpoint, has a P&L structure that should allow us to grow profitably in the years to come. So pull it back up now on a consolidated basis for FY '23, Cimpress delivered record revenue and gross profit, gross profit margins were pressured particularly in the first half of the year with input cost inflation, not fully offset by price increases, but also mix shifts amongst our businesses, given the extent of growth in

Upload and Print, in particular, but also the changes in product mix that I outlined earlier within Vista. Our consolidated reported revenue growth for FY '23 was 7% on an organic constant currency basis, that was 11%.

And as you can see on the far right of each of these graphs for FY'24 we expect reported revenue growth of at least 8% and also organic constant currency revenue growth of at least 6%. Moving to our profitability. On the left here is our GAAP operating income. On the right is our adjusted EBITDA. For FY '23, adjusted EBITDA was $340 million. Up from $281 million in FY '22 due to the reasons that we've spoken about throughout this presentation. For FY '24, we expect adjusted EBITDA of at least $420 million, and I'm going to go through that in more detail later. On the next slide, our cash flow trends. On the left is our cash flow from operations on the right is our adjusted free cash flow and also our net cash interest cost.

Our adjusted EBITDA grew meaningfully in FY '23, as you just saw on the prior slide. However, our cash from operations and our adjusted free cash flow declined as a result of unfavorable working capital but also restructuring payments, primarily those that were connected to the cost reductions that we announced in March. From a working capital perspective, that negative trend there in FY '23 was largely a function of two things. The first is that in the last quarter of the prior year fiscal '22, we had significant spend, especially in advertising in that quarter for which the cash outflow happened in Q1 of FY '23. That was sizable. The second impact was the buildup of safety stock and inventory just given supply chain disruption and related risks, which we burn down to a great extent, but there's still a little further to go in FY '24.

If you look at that blue bar on the far right, that incorporates the cash flow guidance that we provided, which implies at least $168 million of adjusted free cash flow and over $280 million of unleveraged free cash flow. That's a huge increase from FY '23. As you can see, and that's driven by the adjusted EBITDA expansion implied in our guidance, but also more normalized working capital trends and then the non-recurrence of the sizable restructuring payments that we had in FY '23.

Again, I'll walk through that in more detail as we get into the outlook section. Since 2015, each year in Robert's annual letter to investors other than during the pandemic, we disclosed our estimate of our steady-state free cash flow, which we define as the unlevered free cash flow that we would have delivered if we were not investing other than to maintain our steady state. The difference between our actual unlevered free cash flow, normalized for certain items, and our approximate estimates of steady-state free cash flow represent a range estimate of the capital that we allocate to organic investments to grow our business beyond steady state or those that weren't otherwise needed to maintain steady state.

Over time, we feel that these estimates have gotten clearer for us. And today, there are really a few main judgments that we need to make as we go through this process and disclose it for all of our investors each year. As you can see from the chart here, our estimated range of steady-state free cash flow for FY '23 is between $421 million and $451 million. We start here with adjusted free cash flow, add back our net cash interest cost to get to our unlevered free cash flow.

And then before adding back our estimates of growth investments that are part of this calculation, we also -- for this year, had about $166 million of collective adjustments to our underlying FY '23 free cash flow as part of these calculations. That's obviously -- it's a huge number. So let me just walk through the big components of that.

The largest component of that is the remaining year-over-year cost savings from actions that we took throughout FY '23 that will be realized with the passage of time in FY '24. That's $81 million, and so we've, in fact, pro forma-ed for that. Next is the nonrecurrence of the $36 million of cash outflow from restructuring costs that we -- that burdened our FY '23 free cash flow.

And then the last material component, and I talked about the impacts of working capital earlier, is an adjustment to normalized working capital to what we would expect to see in a steady state, and we think we've been conservative here in this estimate which is a $54 million impact given the unfavorable working capital that we saw in FY '23.

So turning to the next slide, you can see here a chart that just shows the trend in our steady-state free cash flow estimates over time. I think the main takeaway from this slide, but also the 2 prior slides are: one, we believe that Cimpress' steady-state free cash flow has increased, and that's due to the improvements and growth in our businesses that you've heard about today, but also due to the reduction of costs in particular as it relates to our steady-state free cash flow, reduction of maintenance costs through further efficiency and focus. The second one is that we expect the difference between our actual unlevered free cash flow in FY '24 based on the guidance that I outlined earlier and our estimated steady-state free cash flow. We expect that difference to narrow based on the actions that we've taken, relative to past years.

Our recent financial results and also the expectations that we have for FY '24, I think demonstrate clear progress as it relates to our steady-state free cash flow, and we're optimistic about our ability to more consistently deliver progress on this based on all the things that you've heard about today. When using our steady-state free cash flow and when we use it to make estimates about our intrinsic value per share, at least as a starting point for that estimate, there's 2 other data points that you need. On the left here is our net debt, which goes back over the last 12 years, starting with -- in 2011, when we had a net cash position to now where we have $1.5 billion of net debt at the end of FY '23.

And then on the right-hand side of the slide is our share count. You can see over that same time period, our share count is down meaningfully but over the last 3 years, has remained flat.

Turning to net leverage. And this slide here shows our net leverage profile over time by quarter. We ended the year FY '23 at 3.9x our trailing 12-month EBITDA. That's down year-over-year. But as you can see, in FY '23, our net leverage increased in the first half of the year and in this event last year, we were talking about that, that was as expected, although frankly, a little bit higher than we expected, just given the extent of cost inflation impacts and so on. But then we quite rapidly started to decrease that net leverage in the second half of the year connected to our significant profitability expansion. And then based on our guidance, we expect that to continue in FY '24 where we're committed to bringing net leverage to below 3.25x by the end of FY '24, as Robert also noted in his opening.

Turning to the next slide. You'll see our history of M&A returns. This is something I showed last year. We don't have any plans for any material M&A right now, given our delevering plans that I just mentioned, but also the focus that we have on driving our organic opportunities and execution related to that. That said, in the future, there will be opportunities to allocate capital here if we so choose, and we're uniquely positioned to do that given our competitive advantages and the leadership position that we have in our market. About half of Cimpress' FY '23 revenue and a substantial part of our EBITDA and our cash flow was from businesses that we've acquired and that we've subsequently grown. Our Upload and Print businesses, National Pen and BuildASign are the largest of those that we've owned for multiple years now. And they've all demonstrated their ability to leverage Cimpress' strategic capabilities to help drive not only improve financial results but also improve value for their customers.

You see here on the slide, our trailing 12-month revenue and EBITDA at the time of the acquisition for all 3 of these. And that's compared to our FY '23 revenue and EBITDA, we also show the cumulative EBITDA since ownership for each of these either groups or individual businesses. And then the average unlevered free cash flow conversion for the last 2 years, just to normalize working capital fluctuations there. We only started tracking discretely working capital by business in FY '18. Otherwise, we just show cash flow measures the whole way here. Ultimately, we evaluate these uses of capital based on their cash-on-cash returns.

Just a few things to call out here on this slide under Cimpress ownership. Our Upload and Print business have now generated cumulative cash flows that now approximate the total capital that we've invested. And when I say the total capital that we've invested, that includes our most recent purchase of a noncontrolling interest in FY '23. And while that's an interesting data point, I think more interestingly, these businesses still have very strong prospects for future growth and free cash flow delivery as well.

Over the last 2 years, these businesses have average cash flow relative to our total investment, again, inclusive of that noncontrolling interest purchase in FY '23 of approximately 16%, coupled with strong revenue growth, as you've seen. If you include conservative terminal value assumptions, we think that the return on investment on this portfolio clearly exceeds 20%. And of the M&A that we've shown here on the slide, that's the strongest returns that we've delivered. But importantly, it's also the largest use of capital from an M&A perspective, totaling nearly EUR 600 million and these are also the businesses that we've had -- that we've owned for the longest. So we've had the most ability to influence with our strategic capabilities.

Given the fact that, that invested capital, nearly EUR 600 million was funded by debt, the return on equity here has been very high.

For the capital that we've deployed to purchase BuildASign, National Pen, we believe the return on investment, again, with conservative assumptions of terminal value is above our cost of capital, although not as strong as those for our Upload and Print portfolio. For National Pen, 1 thing just to call out here is changes in currency have had a material impact on recent EBITDA and cash flow, as I pointed out earlier. That's also true relative to exchange rates at the time of the acquisition. So that does impact the comparison of the slide here. As I said, the hedging of those risks sits outside of any of our individual businesses.

I should mention our acquisitions of 99designs and Depositphotos within Vista as well in the last 3 years. Those aren't shown here. And those are quite different in terms of how they will or how they won't create value relative to the capital that we've deployed. We purchased those companies to add capabilities to Vista, and you've heard a number of examples today on the ways that we're further integrating design capabilities into the VistaPrint experience. Over the coming years, we'll evaluate those investments in terms of the extent to which those capabilities, but also the teams that deliver them, augment our cash flow in Vista, and we believe a strong set of design capabilities within our overall Vista product vision will drive more volume through our economic engine for custom print importantly, especially focused on higher-value customers. And again, we see progress of that in the numbers that we shared today.

On the next slide here, I'll turn to our historical organic growth investments by segment. Again, we disclosed these every year of Robert's annual letter to investors and here, we're showing the impact of those growth investments on our unlevered adjusted free cash flow. Just a few things to call out here on the slide. First, if you kind of pan out outside of Vista and MCP, our growth investments in FY '23 were really not that significant. And a lot of that, especially in our Upload and Print businesses, is growth CapEx with very calculable returns in businesses that have also accelerated growth. So quite clear. I already commented on the Vista growth investments in the prior section. So I won't go through that again in detail. But that's by far the largest area of continued investment although we exited FY '23 at lower levels than we had in FY '22.

Maarten covered our MCP capabilities earlier. Here, you can see that we've decreased growth investment by $8 million year-over-year. And while we did reduce cost to some extent in this area, the main driver of that decrease is actually the fact that in our estimates, we're assuming more of that spend is shifting to maintenance cost as our businesses, again, as you heard from Maarten, put MCP technologies into use, and it becomes just more of a part of the way that we're operating, and therefore, part of our maintenance costs.

The other thing to note here is just in the yellow section, you can see our investments in our other businesses segment, which has really come down meaningfully. If you look back to FY '19, that's down $40 million. It's also down from last year, which is primarily driven by the focusing of our investments in early-stage businesses, as I noted earlier, that's now limited just a Printi in Brazil. So the focus there has really narrowed here and we do expect that, that will continue.

So turning to a few capital allocation topics. We noted that we expect our organic growth investments in Vista to be similar to where we exited FY '23. And beyond that, our -- and our other organic growth investments as well, our priority in FY '24 for our capital allocation is reducing that leverage. We'll be doing that through continued expansion of our EBITDA but also through the cash flow growth that is generated from that higher levels of EBITDA and all of that is evident from our guidance. We did take an opportunity in the June quarter to purchase $52 million of our bonds for $45 million at an attractive yield. Just an update on that in terms of activity this quarter.

In the current quarter, we have purchased another $21.1 million of bonds for $19.8 million, again, an attractive yield. The yield on just those Q1 purchases is 9.7% in terms of yield to maturity which would be a higher yield if we were to refinance those bonds earlier. So we're happy to have been able to allocate capital there. It's a use of capital that has a strong return, but also a known return, but it's also supportive of our path to delever. We don't -- from a capital allocation perspective, we don't expect material acquisitions or share repurchases this year.

As we noted in Robert's annual letter as we execute on our plans and as we bring net leverage below 3.25x by the end of FY '24, we will have opportunities and the flexibility to opportunistically deploy capital that enhances our intrinsic value per share. But to do that while maintaining leverage levels that are similar to or below our pre-pandemic levels, which was in the high 2s and the low 3s as a point of reference.

From a capital structure standpoint, executing on our plans and the guidance that we provided will give us good options to optimize our capital structure over time. As most know, our nearest maturities are for our 7% notes, that's June 26. And so we have time on those. We'll be patient, but we'll be thinking about optimal capital structure, and we'll be ready to act when it makes sense to do so, of course, align to our overall capital allocation objectives.

So let me turn to a little bit more detail on our outlook for FY '24, which does remain unchanged from the guidance that we provided with our Q4 results in July. I'll reiterate that we expect consolidated constant currency revenue growth of at least 6%. That translates to reported growth of about 8%. As I said before, we expect consolidated adjusted EBITDA of at least $420 million, and we expect that to convert to adjusted free cash flow at a rate of about 40%. So that will bring that leverage to below 3.25x trailing 12-month EBITDA by the end of FY '24. And I should say, our results so far this quarter are supportive of those plans.

From a revenue perspective, keep in mind, we did benefit from pricing increases in FY '23. And so as we lap that in each of our businesses, that will weigh on growth rates. That's factored into our guidance. We haven't seen today any broad signs of market prices changing in a downward direction. You've seen that we've had a lot of improvements in Vista that we talked about today, just a lot of examples of progress there contributing to revenue growth. In addition to more material impact from new product introduction, which we've really crank back up last year and that will continue this year as well, as Michael outlined.

In Upload and Print, given the significant growth there in the last 2 years, we do expect that growth will moderate in FY '24, especially in the first half of the year. But even with that, there's still good opportunity for profit expansion.

It's worth noting that from a cost reduction standpoint, we outlined in March the cost reductions, the $100 million, those were centered around Vista and our central teams. In our other businesses, we're starting to experience reduced input costs, and we'll be leveraging our scale to drive those savings. Inbound shipping costs are now at or below pre-pandemic levels. Just as an example, energy prices have decreased. Probably most notably, material costs are starting to come down after very sharp increases, in particular, in paper and some of our other raw material costs. So that will be an opportunity for all of our businesses, not just Vista, and those are included in how we came up with our guidance but are not included in the $100 million of cost reductions that we previously outlined.

One area that we've gotten some questions on is just on the quarterly profiling or seasonality of our revenue and our profitability and cash flow for FY '24. Just because in FY '23, there were some -- there were some different trends there relative to what is kind of normal for us. So we're not going to give explicit quarterly guidance, but I would just add a few things here to help folks there in terms of the quarterly progression.

From a revenue growth rate perspective, we do expect that the growth rate in Vista will be lower by a few percentage points in Q2, just given the growth rate in the consumer category and the weight that, that has on the December quarter. Just given the size of Vista, that, of course, then influences the overall Cimpress growth rate for the second quarter. So just keep that in mind.

For adjusted EBITDA and our free cash flow, we do expect to see Q2 and Q4 with the strongest absolute contribution, which is a more typical pattern. But there -- again, there was some strangeness to that pattern last year. But that will return to a more typical pattern. And then as a reminder, for looking year-over-year, the big cost savings we put in place in FY '23, they happened at the end of Q3. There was $2 million of benefit in Q3 last year. $22 million of benefit in Q4. And so the incremental benefit that we'll see in FY '24, which is $76 million will happen in Q1 to Q3.

So let me now dive a little bit deeper into the drivers to achieve our adjusted EBITDA guidance. And here, I'm showing a waterfall chart that just walks from our -- where we exited FY '23 of $340 million of adjusted EBITDA on the far left and then walks over to the at least $420 million of adjusted EBITDA for FY '24. That first gray bar is the cost savings of $76 million that I just talked about -- and that's the -- those are the cost savings over and above what we delivered in FY '23.

Those actions have been taken. We remain confident in delivering against that number. And so there's really no change there. Again, very confident in delivering that number.

The next bar in red is an expectation that currency movements will negatively impact our adjusted EBITDA by about $20 million. And that's based on where spot rates are today but also where our contracted rates are on our currency hedges, and that gives us a lot of visibility. So we feel good about that as an estimate for FY '24. And then the last gray bar there shows the amount that's needed through contribution from growth next year in order to reach at least $420 million of adjusted EBITDA.

We gave guidance of at least 6% constant currency growth for FY '24. And so if you use that 6% because we factored in currency separately in the red there, the math is basically 6% growth, you need an incremental EBITDA margin on that revenue growth of about 13%, all in to get to that last element of the bridge, which we're comfortable with -- considering our overall contribution margins, we're a little bit above 30% last year on average, not the incremental margin, but on average.

And we do have typical inflationary increases in OpEx from things like merit increases and other third-party costs that eat into that. But needless to say, we feel confident in the delivery of that last element of that bridge to get to at least $420 million.

And then finally, let me also just go through cash flow conversion. And as I said, our guidance for FY '24 is for adjusted EBITDA to convert to cash at roughly 40% on $420 million, that would mean $168 million of adjusted free cash flow. And what I've done on this slide just to outline our expectations for some of the key cash flow drivers in FY '24 so that you can kind of walk from the adjusted EBITDA guidance that we've provided and end with the 40% free cash flow conversion on the right, just so you understand the math here.

And I should say, these are all approximate numbers. Frankly, we could have done ranges on each of these stuff. I think that's less helpful. So we try to be straightforward about this and so take these -- each of these elements as approximate, but hopefully, you'll find this to be helpful.

We expect CapEx to be at or below 2% of revenue, so approximately $60 million. We expect software capitalization to be close to flat to last year's level, so that would imply approximately $58 million.

We said in our year-end release that we expect cash taxes this next year to be about $10 million higher than FY '23, so that's about $41 million. We expect net cash interest expense, as we've also disclosed previously to be about $115 million. And then we have about $8 million of remaining cash restructuring payments just from the actions that we've already taken and those payments will hit FY '24.

And so to get to the 40% free cash flow conversion that means we'll need to see a working capital inflow in FY '24 of about $30 million. To put that in context, if you take the average of our net working capital changes for the last 3 years, which includes the unusual, I would say, outflow of $39 million last year. The average over those 3 years is an inflow of a little above $30 million. And so that's, I think, probably some helpful math there. But again, we feel confident with the ability to deliver against all of those, but also that last element of the bridge.

So again, all approximate, but hopefully, you find that to be helpful. And then just to finish, going back to something that Robert talked about at the beginning, which is incentives, I just want to click into a little bit more detail here behind what Robert already outlined, which is to say that in terms of incentives, the leaders of our businesses other than in Vista, they have long-term incentives that are based on returns on invested capital in their respective businesses, as Robert said. Those grants have a 4-year vesting and also 4-year measurement period. And we're now in a pattern, given those first grants happened back in some years ago, we're now in a pattern where each year, a past grant is being measured for payout, which means it's gain time in terms of the focus there. And that will be the case now every year as we're in that pattern, but is the case this year as well. So that leaves those leaders very focused on their business results and in particular, the return on invested capital there.

For the leaders in Vista and our central teams this year, as Robert also referred to our annual grant this year introduced new performance share units that directly tied to achieving revenue, adjusted EBITDA and unlevered free cash flow targets in FY '24 that are in line with or better than the guidance that I just outlined. The performance against those FY '24 targets will determine the extent to which shares are issued, which can range from 0 to 160% of the number of PSUs that are granted.

If those shares are granted, then they're still subject to service vesting over 4 years, which starts at the grant date and so that provides an incentive to also focus on strong per share performance in subsequent years. The way that we've weighted the PSU performance drivers is such that there is more focus on adjusted EBITDA and unlevered free cash flow.

Those drive the majority of that conversion factor this year, although revenue is a component of it as well. For our named executive officers, 100% of this year's LTI grant is in these PSUs, 80% of the LTI grant for other Vista executive team member is also in these PSUs. And in the Vista context, other than for myself, those performance targets are all based on the results of Vista specifically.

In other words, the team here is highly incentivized to deliver or exceed the FY '24 expectations that I just outlined, but also very importantly, to continue to grow per share value from there. So with that, I'll wrap things up. I hope that today, you found these presentations and examples from around our businesses and especially in Vista to be helpful and that you're able to get a sense of an accelerated pace of customer delivery, but also a clear focus on execution priorities for the coming year. Cimpress is a strong and growing business. We have amazing talent. We have clear competitive advantages and great prospects for the future.

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

QUESTIONS AND ANSWERS

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Excellent. Thank you, Sean. Thank you, everybody. Great prepared content. And now we're going to move into the Q&A session, and we've had some really good questions come in as well. I'm going to start with Upload and Print. We've had a couple of questions here. So I'll read both of the questions and then we can jump into the answer, Paolo.

So Paolo mentioned a significant increase in new customer acquisition. Can you review the customer that is -- these are professionals that aggregate end customer demand, correct? Approximately how much more opportunity is there? Are those customers currently outsourcing to other providers or what is going on there? And Paolo, thanks for the Upload and Print overview. The growth and profitability here over the last few years has been impressive and frankly, higher than expected. In the businesses you oversee what are some of the things that have driven that, which may not be so obvious, are there certain products? Are we taking share through new customers, et cetera?

Paolo Roatta - *CEO The Print Group & Pixartprinting, Upload & Print*

Okay. Very good. So first question about our customer base. Nearly all customers of our brands within the Upload and Print business are business customers. So very, very -- it's very rare that we cater to nonbusiness customers, i.e., individual consumers. And these business clients that we have are usually either resellers. This is our core historical customer base, so those that aggregate and consolidate demand from other end customers. But more and more, we see that we have end users themselves. And these normally are medium to large enterprises, those that have either graphic designers in-house or that rely heavily on commercial printing for promotional and communication -- for the promotion and communication needs.

So that's why their average basket or average purchase is higher than the average -- than the market -- than market average, and their repeat rate is also higher. So why do we attract these kind of customers or why do they come to us or to players like us because we do offer the widest gamut of products or features in every single category of finishing or options in terms of customization. And therefore, we are the ideal destination for this kind of customers. So this is mainly our customer base.

In terms of evolution, we see a growth in the second category, the end consumers. And this growth is fueled by this intermediation, the Internet enables. And also following the pandemic trends, the more and more customers that are now are used to go online and order directly by us bypassing the traditional resellers and therefore, enlarging our market reach in a way.

Looking at the main reasons for the growth. And is it products? Is it customer base enlargement or what is customer acquisition?

It's a little bit of all of that. But I think there's a big impact by new customer acquisition. If I look at Pixartprinting for example, and I look at the month of May of last year, we had almost 20 days equivalent to a Black Friday in terms of new customer acquisition. Black Friday is a peak day in our seasonality where we have the highest amount of new customers getting in 1 day, of products being sold, of revenues being generated, et cetera. And out of the 31 days of May, 20 of those were almost comparable to a Black Friday.

So yes, new customer acquisition was a big driver of our growth. And definitely, we have been taking share of the market. It's not just new customers that were generated, thanks to the innovation that we bring. Why do we believe this? Even though it's very difficult to measure our market share because these data are not measured like in fast moving consumer goods. We have to make our own estimates. But why do we believe that we're increasing our market share of the customer base? Because we see that during the times of disruptions and fluctuations of the market, and we had 3 years of this and still that some of those that we see. Sometimes, it's political uncertainty, sometimes is price cost inflation, sometimes there's been the pandemic, the lockdowns and a lot of the consequences. We see that we are able to consistently continue to provide our products to our customers without being affected by shortage of paper, for example, many of our competitors, especially smaller ones, had to go through this kind of obstacles, if you want.

We are not forced to immediately reflect price increases the moment that there is a disruption in the input cost because we have larger scale, so more contractual power. We have larger margins. And we are in a position where we can control the way that we adjust our pricing without being independent and being resilient from the changes in the market.

So this allows us to provide with more consistency, continuity products and services to our customers. Also, I believe, like I said in the presentation, that regardless of the market disruptions, we are those that continue to invest in innovation, both in products and I mentioned what we've been doing in terms of packaging, both flexible and for the carton in terms of labels, books and so on. And also in services, like I mentioned, a few examples across our brands within the Upload and Print group.

So regardless of what happens underneath fluctuations of the market, we are able to continue investing and introducing new features, new services, new products. And this clearly puts us in a situation of advantage versus our competition especially the smaller ones or those that don't have the scale or the margins that we have or the central capabilities that Cimpress provides, simply by being able to do a procurement that allows us to be always -- I would say, the best market conditions that are there.

And finally, as a last point, I will say that we are perfectly positioned to capture this market, this intermediation that I was mentioning before because our end customers -- the business customers that are bypassing the traditional resellers to go online, find it easier to come to players like us where we manage to make our offer more accessible to them. Thanks to all the new features we have been able to introduce in terms of online editing tools or design tools that allows them to make -- to upload the file in a more streamlined way. And we are the natural destination for these kind of players and that are the most powerful customers we see in the market. And this is something that the traditional players are not able to manage as easily as we are.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Great. Thank you so much, Paolo. Great questions, great answer. All right. This question that came in is for Robert and Maarten. Now that you're back solely in the Cimpress role for a few quarters, is there anything we should expect to be different since I'd imagined you'd be focused in new places? Maarten, why don't you answer first, and then we'll go to Robert.

Maarten Wensveen - *EVP, Chief Technology Officer, Cimpress*

Yes. Thanks for that question. I mean, like, I'm very happy that I can focus for MCP again. But like I mentioned in my last slide, we are not ramping up any investment in MCP, really doubling down on that, strengthen the system resilience and enabling the acceleration of success of the Cimpress businesses, their strategies. And maybe I also want to say, there's just so much more still to gain out of the previous investments that we've already done in MCP, while building new tech is very fun, we've been busy with re-platforming a long time in many of the businesses. And actually, re-platforming isn't fun, right? It's hard and risky work. But I'm super happy that it's done. We're over that part. And so like I mentioned, intra-business sales, more personalized customer journeys, speed to markets with our new product introductions, that's all in front of us to really double down on that. And so I expect in the next 5 years, all the value drops coming out of that. And so just keep doing what we're doing basically.

Robert S. Keane - *Founder, Chairman & CEO, Cimpress*

So my answer would be, first of all, I'm spending time trying to find ways, and we have quite a few opportunities for financial synergies and customer value improvements at the Cimpress-wide level, but doing so in a way which really maintains what's been a very successful model that we're committed to of our decentralized reporting segments, who we really want to and will continue to invest with autonomy. So an example of all what that might be is the cross Cimpress fulfillment, which Maarten discussed.

Another example is, how do we ensure that our various businesses and the brands that are visible to our end customers can work together in a way which drives value to the customer and to the shareholders. It doesn't become potentially destructive to the shareholders by rather than being complementary being competitive to each other. So beyond that, I'd say another area that I'm glad to have more time on is staying abreast of overall market conditions and macro factors.

It could be great advances that are happening in production equipment, in printing and finishing. It could be all the things that are going on in AI and machine learning.

Third, I'm able to spend more time than I have been in years on our talent engagement and development and retention at the executive level. And finally, I again have more time for mid- and long-term planning. And what that really means for this year is I and others are focusing on how we can accelerate Cimpress-wide velocity organizationally towards all the strategies you've heard about today.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thank you, Robert. Thank you, Maarten. All right. This next one is going to be for Sean.

Since everyone has talked about it so much, it would be great for you to explain exactly what VGP is and why it is the most important metric to drive steady state free cash flow and intrinsic value per share.

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Yes. Thank you for the question. And seeing that question, I realized we probably could have been clear about that in the session. So let me do that now. So VGP is our Variable Gross Profit. It's our revenue less our variable cost of goods sold. So from that perspective, relatively straightforward, it's basically our gross profit, excluding any fixed cost. Now the question is, why is that important? In particular, why is that important in terms of steady-state free cash flow and intrinsic value per share. And the reason is that it's the closest operating metric that we have that indicates the cash flow that we're getting from customers prior to advertising costs and, of course, by definition, separate from many of our fixed cost and infrastructure.

So in terms of measuring the progress that we're making, especially when we're doing things like Christina and Basti talked about testing experience improvements or when we're seeking to understand impact on pricing and elasticity or some of the things that even Emily outlined in terms of return on advertising spend, we put emphasis there on our variable gross profit rather than on things like bookings or revenue because that's in the end what drives our cash flow generation, and revenue is the starting point or booking is the starting point. But revenue itself doesn't matter that much, although it's obviously an important starting point. And as our product selection has grown, and again, you've heard about examples of that, we also have a much kind of wider range of gross margin outcomes. And so by focusing on the variable gross profit dollars, not the margin but the dollars that allows us to, we think, make the right decisions and trade-offs and also evaluate those cash flows relative to the capital that we have to invest to get those cash flows.

So if you take -- take an example like in promotional products or signage versus, let's say, a business card, which -- business cards, we have very high variable gross margins. Florian talked about our customer deciles earlier. In the last year, we had -- in our top decile, and you can see how much that drives. In our top decile last year, we had the highest percentage of that decile being new customers.

And of those new customers, when you cook down and you look at the variable gross profit that comes from those new customers, what had the highest impact from a product category perspective? Well, PPAG, promotional products and signage rise to the top of that list. If we were only looking at things like gross margins where we are only looking at things like bookings, then we would end up focusing on the wrong things. We would end up optimizing for the wrong things. And therefore, to go back to your question, I think we would be sub-optimizing our economic profit and sub-optimizing the impact ultimately on our steady-state free cash flow and our per share value.

Now frankly, this was a -- this is a pretty big issue for us when we started this transformation journey. And one of the reasons that we were able to cut out a lot of inefficient advertising spend is that when we looked into how we are making those decisions back in FY '18, early '19, we were too focused on bookings in the way that we were optimizing those decisions and what had happened in the years prior to that is that our product range increased quite a bit, our complexity increased quite a bit. And therefore, we introduced a wider range of gross margin outcomes that weren't appropriately accounted for in some of those decisions. And so that's kind of a real-life example where focusing on variable gross profit allows us to get to different decisions and we take much better decisions than focus on something that's further up in the P&L like revenue or bookings, so -- and hopefully, that answers the question.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thanks Sean. Okay. Great. So Florian, this next question, I'm going to throw it over to you. Does your Wix partnership prevent Cimpress or Vista from working with other website design companies such as GoDaddy or Squarespace.

Florian Baumgartner - *Chief Executive Officer, Vista*

Yes. Thanks for the question. The straight answer is no. Technically speaking, it's not an exclusive partnership. And in fact, through 99designs, we have active design partnerships with other website hosting and e-commerce platform software companies, and they all remain healthy and strong. Having said this, though, while technically not exclusive, Wix is our premier and focused strategic partner for global website hosting and domain name solutions. And as I outlined earlier, we made great progress in developing the Vista x Wix partnership in the last 12 months. We successfully migrated our legacy website customers to the Wix platform, and we're seeing growth in both new free and premium subscriptions. We're all deeply convinced that Wix is a great product for our customers, and we're looking forward to growing this as a truly win, win, win partnership for our customers for Vista and for Wix.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thanks, Florian. Okay. This next question is I'm going to send to Emily.

Vista ad spend is down as a percent of revenue, but the growth rate is the same or higher than in the past. Can you reflect on this? Is it new capabilities, platform products? Or is there also something fundamentally different about how you are approaching advertising in Vista causing this efficiency, is it sustainable to spend at these lower levels and still grow mid- to high single digits.

Emily Whittaker - *EVP, North America & Global Marketing, Vista*

That is absolutely the goal, Meredith. And as you saw in Sean's slide, we see the spend is about 15% to 17% of renew. And yes, we believe that this is sustainable for years to come. Although as Sean cautioned, we'll see some intently differ quarter-over-quarter. And hopefully, the media efficiency came through in the slides that I showed, and we believe that, coupled with continued experimentation will allow us to sustain these lower levels of more impactful spend.

And as you saw through our OKRs, FY '24, a huge -- a big focus of ours is about making our spend work smarter. And so how do you maximize the impact by striking the right balance across the entire marketing funnel. And so this year, we'll be bold in testing potential changes across that mix, leaning into brand. As we know we can't achieve our goals by just winning in search, we need to win well before that. And so we will be doing so by testing efforts, aim to drive profitability. We'll be leaning into our owned and earned channels as we talked about -- as we talked about. So leaning into content marketing, it should play a much bigger role for us going forward, certainly, as we're looking to increase the value of our brand. And will be as Basti shared, leaning into the platforms that have driven a lot of this efficiency.

So improved use of data, use of broader tooling, using personalization, using those data insights to drive effectiveness of our media buys and our messaging importantly, leveraging and tapping into being able to measure how our accretive platform is performing. When do we use which kind of messaging. And so all of that will be -- how we're focused on achieving exactly what the intent of this question is.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thanks Emily. I'll note that we also have in addition to what's going on from an advertising perspective that Emily talked about, of course, all of the things that we've been doing to affect the product portfolio and the capabilities that we bring to bear post migration in Vista, building products that customers love in the Vista business. That's going to continue to be a larger driver of growth for Vista and that is irrespective of what's going on from an advertising perspective, but they can reinforce each other in a positive way.

All right. Next question. I'm going to throw to Sean. Sean, a couple of questions.

First, how much headwinds to adjusted EBITDA were baked into the $420 million plus estimate that you shared last time versus how much do you believe it's likely to be now. So I think this is asking from the perspective of when we gave the guidance in Q4, has that changed? Are there any new headwinds that are baked in or tailwinds that are baked in, arguably input costs have improved materially versus 2 months ago.

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Sure. I think I get the question. So I'll do my best here. Well, one, we haven't changed our guidance. And so that's where I would start. And I did say in my remarks earlier that our results so far this quarter are supportive of the guidance that we provided. So no change there. We've reiterated that I think the question asked about headwinds, and -- I think maybe was in reference to potential macro your headwinds or demand headwinds. When we gave the guidance at the end of July, just from an input cost perspective, factored in what we know at the time. We -- as we did all of our planning and rolling off our budget that then goes into that guidance, which happens in the -- is finalized in the early June time frame, we also anticipated the direction of travel in some of those input costs based on what we were seeing. And so that was factored into our plans to some extent.

If the question was asking about macro headwinds, I'd say, when it comes to our budget and even the guidance, we don't incorporate anything specifically about macro indicators in our plans. But I would say that we think that our guidance and the plans that support that, they're realistic in the context of an environment that might be a bit tougher, including the fact that we're lapping price increases. And so there's more emphasis on volume growth that's required to deliver the revenue guidance that we provided. And so I think the way that I would characterize it in terms of further input cost improvements, is that, I do think that, that would be a lever that may be available to offset any risk that might exist on the demand side.

I do think that, that's an opportunity. And of course, we're going to be pursuing that vigorously throughout the year to make sure that we capture that opportunity is there. But I think you're right. If anything, things have shifted slightly positively from an input cost perspective, since the end of July, but nothing overly material relative to what was already incorporated into that guidance that we felt the need to update it.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thanks Sean. All right, Michael, a question for you.

When you talk about lower gross margin from new products, how much of that is affected by volume and how much is structural that is, well, gross profit dollars, I assume, for new products naturally grow as each new category and product matures? Or are those gross margins for new categories naturally less profitable forever?

Michael Fries - *EVP, Europe & Global Manufacturing, Vista*

Yes. Thanks for the great question. I think, first, you have to distinguish between margin and profitability because many of the new products that we add actually help us expand the share of wallet with the existing customers and the new customers that we acquire. So they help us grow customer lifetime value and help us to make customers more profitable, and that happens with higher as well with lower gross margin products, and that all drives profitability. So it's not a direct relationship between gross margin and profitability.

Secondly, there are certain differences -- certainly differences in the profitability or in the margin -- I made the same error myself. In the margins of different product categories. And as Sean already pointed out, business cards using paper as the main substrate and our highly efficient manufacturing process on top of that, have a very high margin whereas structurally PPAG, for example, uses individualization to take already high-value products like a vest or a high-quality bottle to individualize that and make it a great product for our customers. So by nature, in these products, we have a higher share of material that we use and a lower gross margin.

But on the other side, those products are very high value. So the absolute gross margin -- the absolute variable gross profit that we make per order may even be much higher than with other products. So it's a very diverse perspective. When you speak about the evolution, certainly, new products naturally start lower volumes and have less favorable conditions than well-established products that is around purchasing volumes, that's around industrialization of the manufacturing process.

So as products grow, there is an uplift in profitability. And there's also 1 thing that we have to bear in mind when we speak about variable gross profit, as Sean already explained. We speak about just taking out the variable piece of all of our costs. So when we may start with a product that is starting as an outsourced product, we naturally have a lower variable gross profit as a share of revenue.

And if the product grows, we then may insource the product, we have a different margin profile. We certainly have to invest for this insourcing, but we create a better manufacturing process that drives higher margins for this individual product. So coming back to the question, there is a natural evolution of margins to improve as the volumes grow and as the products become more mature.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Great answer. Thank you, Michael.

Robert, we're going to stick with products here. Today, we heard about growing cross-business fulfillment and order flow between different parts of Cimpress. Can you say more about that? What are the impacts of that? And how much does it impact Vista North America that is compared to the impact in Europe where Vista and the Upload and Print production networks are closer to each other.

Robert S. Keane - *Founder, Chairman & CEO, Cimpress*

Well, first of all, I'd say we have a great opportunity in both Europe and North America. The numbers that Maarten showed about the multiyear progression of that, I hope, are really just the beginning of what we can do over time. In North America, the business reporting groups that are able to trade between each other National Pen, BuildASign and Vista. And they all have -- they each have production capabilities, which are very strong in given areas. And in any one of those -- any two of those three can leverage the third in -- for new product introductions and for cost savings. And the same is true in Europe. There, we have National Pen with a brand-new production facility in Czech Republic. We have the Upload and Print businesses, and we have Vista.

So the short answer is we think it's an opportunity in both of our major geographies.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thanks, Robert. Okay. We're going to try to get through a couple of quick hit questions for Sean here from a financing perspective.

Sean, do you see unsecured bonds as part of your long-term capital structure? And you said earlier in the statement in regard to addressing the 2026 notes, you're thinking around an optimal capital structure. Any more color to add on that?

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Sure. Yes. I think we have time to decide what that optimal structure is. And I think we're also at a point in time where like there's a lot of value to that time and being able to be patient but also be ready. Interest rates are changing quite rapidly. Understanding the direction of that and how that might influence the optimal capital structure.

At the same time, getting more specific about things like where we want to live from a leverage perspective, which I gave some comments on that earlier and thinking about capital allocation sources like these are all active conversations that we have with the Board on an ongoing basis, and we'll continue to have. And so I wouldn't be declarative today and the main reason for that is, I think there's a lot of variables in play.

And fortunately, we have the opportunity to be patient there. But I would say patient but also proactive. We'll be having those conversations. We'll be getting more clarity in our thinking there as we do, we'll express that externally as well.

And we'll be ready to act at the right time. I think first and foremost, the most valuable thing we can do is execute on the plan that we have for this year, and that's also why we've put even further emphasis in our incentives this year on profitability, cash flow because delivering against these plans, delivering against our delevering puts us in a position where we will be well placed to have very good options for whatever we decide on in terms of optimal capital structure as we get into FY '25 and beyond.

In terms of the specific question on unsecured bonds, I think, it's likely that they will have a role to play in our long-term capital structure. They have played an important role in our structure in the past, including in our current structure, even when we had a different structure, which had more senior and more focus on a large credit facility that we could draw down and then repay as we generate cash. Even there, there was an important role for our unsecured bonds in terms of accessing our kind of our leverage beyond our senior secured leverage.

And so I think it's likely, but again, no decisions made, and we'll be watching markets closely, seeing how that develops. But even more importantly, again, making sure we have clarity on our capital allocation priorities beyond FY '24 and being able to do that at lower levels of leverage than we've been operating at in the last few years.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thank you. I'm going to stick with you for the next one. Can you remind us, Sean, how the outstanding warrants will affect your shares outstanding in the future, assuming that they are exercised?

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Sure. So this question relates to the second lien debt that we took on of $300 million back in April of 2020, maybe close early May. And then a year later, we -- it was not [called on,] we called that. So it was no longer in our structure, but there were warrants attached to that, and those are warrants [that have stock at $60.] There was just over 1 million warrants.

And if exercised with cash, then that's the number of shares that would impact our dilution. I think the more likely scenario is that there are -- there's an ability for a cashless exercise, attached to those warrants and so if exercise and -- exercised in a cashless exercise, that would result a fewer shares being issued. And then just based on the way the math works, the higher the share price the fewer shares that would be issued in a cashless exercise. And so TBD on what that would be, but you can run the math and then there is a max on that as well.

So in terms of when that would happen, there's still quite a bit of life left on those warrants. And so that's outside of our control. But in any case, that's how the math would work.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thank you, Sean. Okay. This next question, I'm not sure if I'm going to send it to Sean or Robert because I don't know if Sean has seen it yet. But how are you calculating ROIC for PSU purposes?

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Robert, do you want me to jump in on this one?

Robert S. Keane - *Founder, Chairman & CEO, Cimpress*

Yes. Why don't you go ahead, Sean.

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Cool. Okay. So yes, just to differentiate here, the reference to return on invested capital is specific to the program that's used for our non-Vista leaders. And I'll cover that at a very high level, which is that each year, we calculate basically a synthetic entry value for that particular business. It's a formulaic valuation that incorporates growth and profitability.

And then at the end of the 4-year measurement period, we also, again, calculate evaluation and exit -- basically a synthetic exit valuation with the same formulaic valuation incorporating growth and profitability.

Importantly, we then determine what the return on invested capital was incorporating not only the impact of the difference between the entry and exit valuation but also incorporating any other use of capital, which could be working capital, could be CapEx. It could be an acquisition, it could be cash taxes or any capital generation, which could be the sale of an asset or the sale of the business and so on. And so, it's effectively a DCF using the synthetic valuation at entry and exit over a 4-year period. And then that return on invested capital is compared to a hurdle rate. And if that business is over that hurdle rate, then there is a payout and there's a multiplier so that the further away they are from that hurdle on the upside, of course, then, the higher the multiplier in terms of the payout. So that's how that works.

And so in summary, factors in all uses and generation of cash, but with the synthetic entry and exit valuation. For our other businesses other than -- sorry, for Vista and then our central teams, which is the new LTI instrument, the PSUs, that is not based on return on invested capital that is based on targets for revenue, adjusted EBITDA and cash flow that I outlined. And then we'll evaluate how we performed against those targets at the end of FY '24 and that will determine the number of shares that are ultimately delivered to the team member who then still has to service vest into those. So that's not explicitly a return on invested capital calculation.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thank you, Sean. All right. We're just going to take a couple more questions here that we've received.

So Sean, this one is for you. How much of the FY '23 growth in Upload and Print was from pricing and what kind of growth can that segment support excluding price?

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Yes. It was different business by business within that group. I think what we said in the past, I think, it was on maybe the year-end earnings call was that the range from 1/3 of that coming from price to 2/3 of that coming from price depending on the business. In terms of what kind of growth that segment can support [x] price, I think what we've seen is even absent price, there's been strong volume growth, strong new customer acquisition. Paolo mentioned that as well in that segment.

And part of that is coming from the structural tailwinds that exist, again, as Paolo outlined earlier. In terms of what that will be in FY '24, we haven't given specific guidance on that. I think there is some slower growth in some economies throughout Europe. So that could have some impact there. But I think, overall, in a -- once you get beyond lapping of price increases, I think in that sort of 6% to 8% is a reasonable starting point just in terms of market level growth, kind of inflationary growth, but also ability to continue to take market share because of some of those structural tailwinds that exist.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

Thanks Sean. Okay. One more question on net leverage guardrails. Once you exit FY '24, what levels will you want to live with? You address this a little bit in your presentation, but maybe reiterate.

Sean Edward Quinn - *EVP, Chief Financial Officer, Cimpress & Vista*

Yes. I think we get this question quite a bit. It's a topic that we'll also continue to discuss with the Board as well. Robert said in his letter that once we deliver on our plans for FY '24, get to below 3.25x that we can be opportunistically allocating capital while still staying at leverage levels that are, as I said before, kind of roughly around that 3x. And that's not staying at those levels or saying that we could be doing that while staying at or below that.

So that's not a target per se, but it gives, I think, an indication of where we're looking to live. So I think that, that should be your reference point. And we'll -- if it makes sense to do so, we'll be more specific on that in the future. I think the main thing right now is making sure we deliver on the FY '24 guidance. And then I think what you can take from the commentary that we've provided is that we expect to maintain those lower levels of leverage going forward. There's not a specific target to talk about today, but hopefully, the commentary that we provided gives you a sense of kind of where we would be comfortable and then being opportunistic. Like I said, that wouldn't be a target that we would be looking to stay at all the time, but would be a reference point in terms of where we'd be thinking from a capital allocation perspective.

Meredith Burns - *VP, Investor Relations & Sustainability, Cimpress*

All right. Thank you. All right. Robert, I'm going to turn the call over to you for some party words.

Robert S. Keane - *Founder, Chairman & CEO, Cimpress*

Okay. Well, thank you, again, everyone, who's joined us. I know this has been a long presentation. Hopefully, it's really helped you understand why we are optimistic about the coming multiple years ahead of us, optimistic in terms of continuing to accelerate the pace at which we improve the value we deliver to customers, but also excited and optimistic about the ability to continue to expand our bottom line as we do so.

And as I said in my letter, more than -- about 2 months ago, and as I said today, progress doesn't always happen in a straight line. If you step way back and all of you who followed us know we are focused on the long term, in the last 5, 6, even 7 years have been a lot of turbulence for Cimpress overall.

But I hope today you really get a sense of if you compare back to that -- those years, the changes we've done in terms of the clarity and the value delivery of the MCP, which we've been investing so much, the clarity of the autonomous teams we have across the business driving to different parts of this market, the great success we're having in really turning Vista into a new direction, which Florian and the entire Vista team spoke about today, which opens up the opportunity to grow well into the future.

And we really do feel, as I've said today and I said in the letter that we've entered a new era and stage of our growth where we can have that continuous improvement, both for the financial and the customer value. So we look forward to delivering that and keeping you up to speed on that and abreast of those changes and improvements as we move forward. We look forward to talking to you at our next earnings day at the end of this quarter, and we'll speak to you all soon. Thank you very much.