



STRATEGY UPDATE CALL

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MARCH 2019

SAFE HARBOR STATEMENT

This presentation, our accompanying commentary, and the question and answer session that follows contain statements about our future expectations, plans, and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, including our expectations for the growth, development, and performance of our businesses, the projected market for mass customization, planned investments and improvement activities in our businesses and the anticipated effects of our investments and improvements, and the expect performance and benefits of our mass customization platform. Forward-looking projections and expectations are inherently uncertain, are based on assumptions and judgments by management, and may turn out to be wrong. Our actual results may differ materially from those indicated by our forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts are based; our failure to execute our strategy; our inability to make the investments and improvements in our business that we plan to make or the failure of those investments and improvements to achieve the results we expect; the failure of our mass customization platform to drive the efficiencies and competitive advantage we expect or our failure to realize the expected returns on the capital expended to develop the platform; the failure of our decentralization and organizational changes to have the effects that we expect; loss of key personnel; unanticipated changes in our markets, customers, or business; our failure to address performance issues in some of our businesses, in particular our Vistaprint business; our failure to attract new customers and retain our current customers; our failure to manage the growth and complexity of our business and expand our operations; the failure of the businesses we acquire or invest in to perform as expected; the willingness of purchasers of customized products and services to shop online; changes in the laws and regulations, or in the interpretations of laws and regulations, that affect our businesses; our failure to maintain compliance with the covenants in our senior secured revolving credit facility and senior unsecured notes or to pay our debts when due; competitive pressures; general economic conditions; and other factors described in our Form 10-Q for the fiscal quarter ended December 31, 2018 and the other documents we periodically file with the U.S. SEC.

In addition, our statements and projections represent our expectations and beliefs as of the date of this presentation, and subsequent events and developments may cause these expectations, beliefs, and projections to change. We specifically disclaim any obligation to update any forward-looking statements. These forward-looking statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to the date of this presentation.



CONTEXT FOR THIS CALL

- Our annual (August) investor day events have been well received
- This call serves as a mid-point update where we can address questions about the business and strategy
- Well timed given Vistaprint changes we announced in our last earnings
- Will give an update but bias most of our time to answer the questions or themes that we have heard from investors recently



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ROBERT'S THOUGHTS ON THE BUSINESS



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STRATEGY & STRUCTURE



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**PRE-SUBMITTED
QUESTION:**

**STRATEGY
& STRUCTURE**

Do you have the right strategy?



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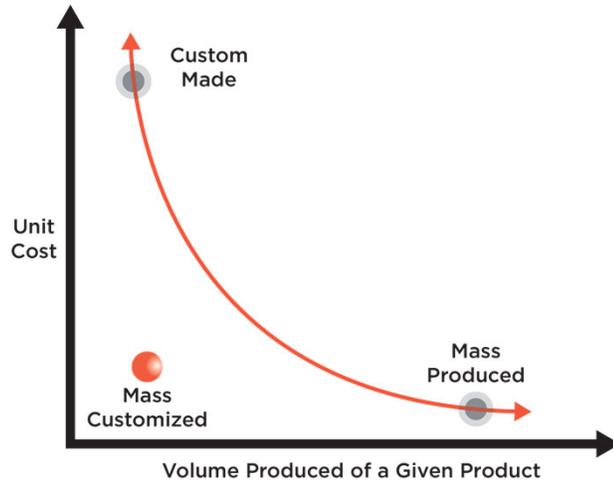
LARGE OPPORTUNITY TO APPLY MASS CUSTOMIZATION TO LARGE MARKETS

Producing goods and services to meet individual customers' needs with near mass production efficiency

Tseng & Jiao, 2001

Generating an infinite variety of goods and services, uniquely tailored to customers

Stan Davis, 1987



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OUR STRATEGY

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

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

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



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**PRE-SUBMITTED
QUESTIONS:**

**STRATEGY
& STRUCTURE**

Was decentralization a failure?

What are you doing to ensure that you strike the right balance between entrepreneurial autonomy and accountability?



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MARKET EVOLUTION: INCREASING COMPETITION

- Majority of market served via fragmented, less-efficient traditional business models
- Evolution toward mass customization puts pressure on price, speed, customer expectations and quality: Cimpres and its businesses have largely benefited from this dynamic over time
- Most mature mass customization competitor capabilities are in consumer and small format business products
 - This is where there is more price and advertising competition, particularly in consumer products such as holiday cards, and for business products like postcards and flyers
- Less mature competitive mass customization capabilities are in signage, promotional products, apparel and gifts, textiles and packaging



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RESPONSE TO A TOUGHER MARKET

- Our businesses must exploit every competitive advantage available to them in order to continue to earn their right to serve customers in an increasingly competitive market
 - Obsession with the customer experience
 - Modernizing and modularizing legacy technology
 - Leveraging data to improve customer experience and financial outcomes
 - Relentlessly driving down cost of production
 - Driving efficiencies in operating expense
- Cimpres's select-few shared strategic capabilities help our businesses win:
 - Mass customization platform technologies
 - Global procurement resources
 - Access to talent in low-cost/high-quality locations
 - Allocating capital to the highest-return opportunities and saying no to others



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MANAGEMENT CHANGES IN UPLOAD AND PRINT

- Organizational and incentive changes in Upload and Print portfolio should help us move faster in our focus on being a low-cost producer, driving operating cost efficiencies, and implementing culture, priorities and technologies that drive improved customer and financial outcomes

GROUP 1



GROUP 2



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NATIONAL PEN AND BUILDASIGN SYNERGIES



- More than \$3 million in annualized procurement savings
- E-commerce and other technology to enable site redesign and wholesale supply to other Cimpres businesses
- Significant technology and graphics services resources in India
- New customer support teams in Jamaica and Tunisia
- Tax synergies



- Early days but we have already achieved over \$4 million in annualized procurement savings
- Team is looking at technology and resource opportunities
- Tax synergies



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VISTAPRINT



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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT

Do you think the competitive moat for serving micro businesses is the same, deeper or shallower than it was 3 years ago? 5 years ago? Why?

What are the three most important key results to achieve the objective of widening that moat over the next 3-5 years?

How are you going about aligning and building the right team to hit those targets and what should be the metric and timeframe of accountability?



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**PRE-SUBMITTED
QUESTIONS:**

FOCUS

Do you think you have been distracted by the newer businesses in your portfolio? Would you have avoided Vistaprint's challenges if you were solely focused on that business?



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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT

Can you explain how Vistaprint's growth slowed so dramatically in two quarters – it was at high single-digit growth rates, then was 3% in Q2 and now you are guiding to flat to negative revenue growth. What happened?



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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT

I always thought of the company as having strong capabilities in analytically driven marketing, but now the company is acknowledging that these capabilities are lacking. What got the company to this point and how much is required to upgrade these capabilities?

What got Vistaprint to the point where it has poor mobile technology and a website with bugs and glitches, and what is needed to fix these technology issues?



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VISTAPRINT STRENGTHS

- Large and fragmented market opportunity that continues to shift online
- Unique focus on serving small business owners
- Increasing addressable market through new product breadth and depth
- Scale-based competitive advantages
- High barriers to entry
- Strong cash flows



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VISTAPRINT CHALLENGES

- Vistaprint's move to broader, deeper product lines drove complexity
- Technology and data systems did not keep pace
- Under investment and testing in our mobile experience
- Increased competition for consumer products
- Over-reliance on paid search and broadcast
- Loss of urgency and focus around delivering on foundational basics



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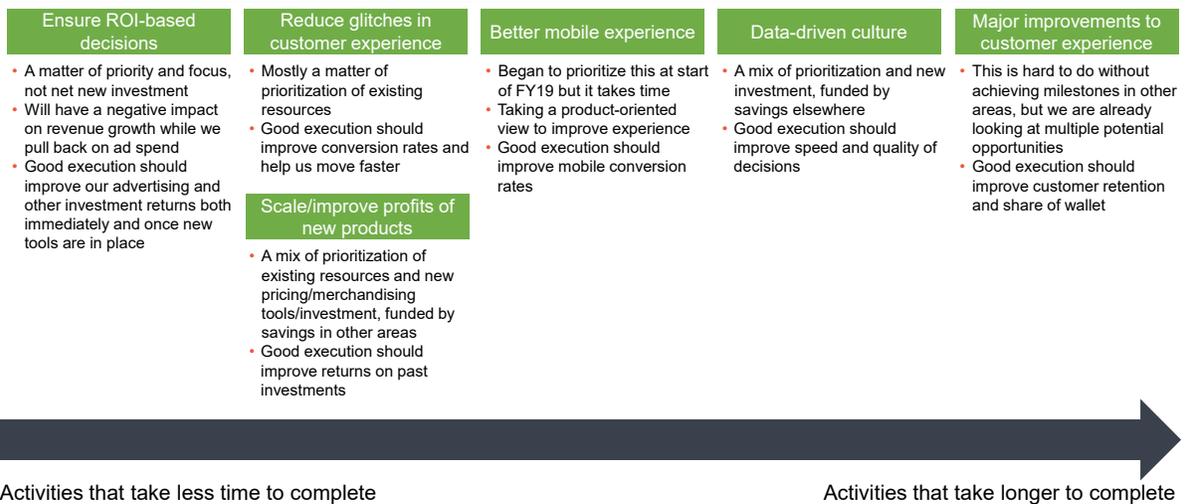
NEAR-TERM OBJECTIVES TO RESTORE FOUNDATIONAL BASICS

1. Make our customer experience simple and clean across all touchpoints
 - For example, address bugs and glitches in customer experience, and improve mobile experience/conversion
2. Correct decision-making frameworks and tools to ensure valid return on investment criteria
 - For example, ensure ad spend tools incorporate wider range of financial outcomes driven by expanded product assortment
3. Meet our financial commitments and deliver attractive returns on our past investments
 - For example, prioritize scaling and improving profitability of past product introduction ahead of new product introduction
4. Take material steps to improve analytically driven marketing, merchandising and pricing
 - For example, improve ROI measurement, test-and-learn capabilities, customer profitability analyses
5. Increase development speed and value produced by our engineers and analysts
 - For example, remove the burden of legacy technology and improve quality of and access to data



ROUGH TIMELINE FOR IMPROVEMENT ACTIVITIES

All activities underway



VISTAPRINT ONE MONTH FOLLOWING THE CHANGE

- Focus on foundational basics is clear to the team
 - Active progress underway across multiple workstreams
- Pulled back on advertising, new product introductions and other growth investments to free resources for priorities
- Convinced the high-level Vistaprint strategy and the “foundational basics” tactics are right but we have a lot of work ahead of us
 - Believe Vistaprint can and should be a major driver of value creation

OTHER BUSINESSES

PRE-SUBMITTED QUESTIONS:

ALL OTHER BUSINESSES

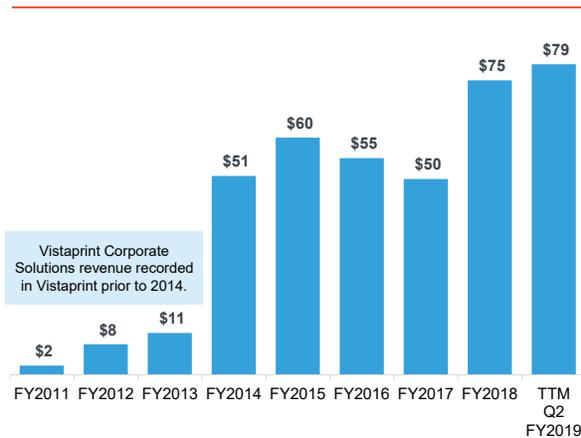
You have allocated a significant amount of capital to your “All Other Businesses” segment. Excluding the BuildASign acquisition, these companies have been highly loss making, and those losses, which had been moving in the right direction, have now reversed course. What is happening? Is it worth continuing in these areas? You must have other opportunities to allocate this capital to higher-returning investments.



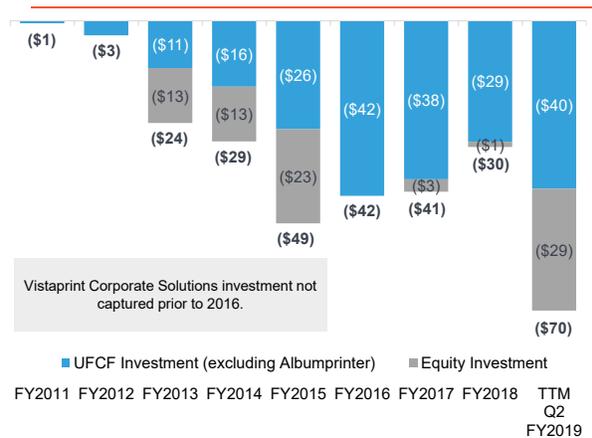
EARLY-STAGE GROWTH INVESTMENTS HISTORY

INCLUDES CHINA, INDIA, JAPAN, VISTAPRINT CORPORATE SOLUTIONS, PRINTI, AND VIDA

REVENUE (\$M)



UFCF & EQUITY INVESTMENT (\$269M)



* Revenue and UFCF includes 100% of the results of businesses in the All Other Businesses segment, excluding Albumprinter which was divested in August 2017, and BuildASign which was acquired on October 1, 2018. UFCF excludes working capital changes. Cimpress' equity investments reflect actual ownership percentage of businesses throughout the periods presented, excluding BuildASign.

CAPITAL ALLOCATION



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PRE-SUBMITTED QUESTIONS:

CAPITAL ALLOCATION

Is there any thought at the management and board levels that the company should pull back on acquisitions for a while in order to pay down debt and fix the company's current business portfolio?

What about share repurchases? You've recently repurchased shares at prices higher than it is right now, but is it wise to take leverage up to be aggressive here?



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CAPITAL ALLOCATION

- Our well documented capital allocation philosophy is unchanged
- Given that we have introduced some uncertainty in our near-term financial results with Vistaprint changes:
 - We have factored this into our near-term capital allocation and view of leverage, which increased in Q2 with our largest ever acquisition
 - We still believe M&A is attractive but the hurdle rate has increased meaningfully in the near term
 - This will change as certainty around Vistaprint's EBITDA and UFCF increases and we are comfortable with the trajectory of our other businesses as well after a poor Q2
- In Q3 QTD, we have repurchased 123K shares for \$10M; we do not plan to repurchase more shares through the remainder of the quarter at current price levels
- Our capital structure should help us execute on our capital allocation philosophy for many years to come
 - Intentionally designed for flexibility for periods of heavier investment and also periods where we may deleverage
- Reminder that Q3 is a quarter with large seasonal working capital outflows



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PRE-SUBMITTED QUESTIONS:

LEVERAGE

Could you explain – in simple terms and by using examples under a very adverse scenario – why your debt level is not dangerously high at 3.0x EBITDA or much higher?



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ADDITIONAL Q&A



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PRE-SUBMITTED QUESTIONS:

GOVERNANCE

Can you help me understand the changes you have made to reduce the number of board members?

After the 2018 exits the board is unusual with a heavy weight on financial investors and a seeming lack of operational expertise.

1. Do you disagree?
2. What is the company philosophy on the role of the board of directors in so far as operating expertise is important?
3. Who is providing the operational “tough question” accountability to the Executive Chair at the board level?



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**PRE-SUBMITTED
QUESTIONS:**

UPLOAD AND PRINT



After several years of building out the Upload & Print portfolio how has the view evolved?

Is it becoming what was envisioned 5 years ago?

What is the core competency that Cimpres brings in building this diverse group of companies into a consolidated, competitive advantaged, whole that is superior to what a competitor could have done?

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**PRE-SUBMITTED
QUESTIONS:**

**MASS CUSTOMIZATION
PLATFORM**



Can you talk about the ROIC of the total Capital and Operational Spend that has been allocated to the MCP project over the last 5 years?

Does it pass the hurdle rate set at the outset?

Discuss how today's objectives for MCP evolved from the original vision below and how the MCP spend is judged in light of that evolution?

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**PRE-SUBMITTED
QUESTIONS:**

BUILDASIGN

Can you provide more details about the BuildASign business?

Why was this a good move for Cimpres?



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**PRE-SUBMITTED
QUESTIONS:**

**VISTAPRINT CEO
SEARCH**

Has the Board identified the job title(s) and relevant experience levels required to fix these long standing strategic missteps in an organization of this size and complexity?

When do you expect to commence an external search for turnaround leadership in each of the areas that Robert spoke to in his most recent letter?



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**PRE-SUBMITTED
QUESTIONS:**

**TIMELINE TO ADDRESS
VISTAPRINT ISSUES**

When you say Vistaprint's results may get worse before they get better, can you help us better understand the timing around that comment. For example, worse in all of CY 2019 and get's better in CY2020.



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**PRE-SUBMITTED
QUESTIONS:**

SSFCF

Have your SSFCF estimates changed/been revised downwards based on the outlook given in January? If yes, please provide more details.



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**PRE-SUBMITTED
QUESTIONS:**

**POTENTIAL
IMPAIRMENTS**

Could you state whether we have to write-off certain past investments (2012-2018) made in the Vistaprint or the Upload & Print segments due to your downward revision in outlook? If yes, by how much by segment?



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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT

What would give you the confidence to ramp up Vistaprint advertising spending again?

What indicators or metrics would you need to see?



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**PRE-SUBMITTED
QUESTIONS:**

**VISTAPRINT UNIT
ECONOMICS**

Could you share – as you have in early years – more information on the unit economics, e.g. LTV vs. COCA at Vistaprint? What returns can we expect on your COCA investment and do they still significantly exceed your hurdle rate?



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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT

What percent of Vistaprint sessions come from mobile devices, what has the trend been over time, and what is the conversion rate differential between mobile and desktop?



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**PRE-SUBMITTED
QUESTIONS:**

CAPITAL ALLOCATION

As noted in the letter Cimpres has deployed \$2 bill in capital over four years while the equity value per share and market cap are nearly flat over that time frame (1Q15 to 1Q19) and the latter is only 25% higher than the entire amount of capital deployed, to what do you attribute the market's judgement on the success/failure of these capital allocation decisions?



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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT

Can you provide any color or detail on the new Vistaprint marketing channels that you're experimenting with?



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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT



Why was the decision made to dedicate fewer resources to consumer product sales in 2Q/19?

How will you approach next holiday season?

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**PRE-SUBMITTED
QUESTIONS:**

VISTAPRINT



I thought that a strength of Vistaprint was its ability to spread advertising costs across multiple products, while competitors are not able to do this, therefore giving Vistaprint a competitive advantage on pricing.

Is this still the case, particularly in consumer products, or are newer competitors willing to lose money on consumer products in order to gain order volumes and market share?

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**PRE-SUBMITTED
QUESTIONS:**

**PAID SEARCH
ADVERTISING**

How reliant are you on paid search keyword advertising and do you want to reduce your exposure to this channel over time?



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**PRE-SUBMITTED
QUESTIONS:**

UPLOAD AND PRINT

How much of the Upload & Print customer base would you characterize as price focused?

Is there any way to move away from the price-sensitive customer base in Upload & Print?

Are the investments in Upload & Print's customer value proposition meant to make customers less price-sensitive and/or attract a different set of customers?



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**PRE-SUBMITTED
QUESTIONS:**

NATIONAL PEN

How much would you like to reduce National Pen's reliance on direct mail advertising?



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**PRE-SUBMITTED
QUESTIONS:**

NATIONAL PEN

Can you apply some of the lessons learned through Vistaprint's technology shortcomings to the roll-out of National Pen's e-commerce capabilities?



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**PRE-SUBMITTED
QUESTIONS:**

LESSONS LEARNED

What are the biggest lessons learned of the last three years and how does that inform the future?