

"Study Paper", authored/compiled by Joel Salus of Salus Consulting (joel.salus@mac.com)

Author's introduction: I've been involve in the reprographics and graphic imaging industry for 53 1/2 years by now. *(That is not a typo; I am old.)* I put this study paper together simply to compare the numbers of two different companies who are players in the imaging industry; that said, the two companies have very different business models. In the US, we know CIMPRESS by its primary brand, "VistaPrint". I, myself, have used VistaPrint in the past [I had to get a small quantity of business cards quickly, when I was getting ready to attend an IRgA event and was promoting my blog ("Reprographics 101")].

Above, where I mentioned "the two companies have very different business models", CIMPRESS' business model is geared towards serving a huge quantity of small customers, customers whose orders are small quantities. In addition, virtually all of CIMPRESS' orders are "internet" transactions. [I should also not fail to point out that CIMPRESS does not offer A/E/C plan printing services, nor, apparently, does CIMPRESS offer FM (On-Site) services.] ARC's business model, as everyone in our industry knows, is geared towards serving larger customers. And, having begun life as a reprographics enterprise, ARC's sales were heavily reliant on doing business the traditional way - pick-up, print, distribute (often distributing "an order" to multiple locations.) That said, I'm certain that ARC, today, does a lot more business over the Internet than it did years ago. As a good friend of mine in the "reprographics" industry put it, *"CIMPRESS took the e commerce / web route and did very well."* Both ARC and CIMPRESS have acquired other companies. (ARC acquired over 100 different companies, CIMPRESS not nearly as many, but the companies CIMPRESS has acquired were pretty large companies.)

One of the reasons why I authored/compiled this study paper; it is intended as "food for thought" for approaches one might consider to expand the scope of one's business.

CIMPRESS' History

In 1994, Robert Keane founded Cimpress to give small business owners access to the same high-quality, custom-printed products enjoyed by big companies with big budgets.

"The beginning, 1994-1998"; As a student at INSEAD business school in France, Robert saw opportunity in the difficulty that small businesses faced when they needed great-looking marketing materials in low quantities. The business plan for his new company, Bonne Impression, promised to "remove the limitations previously inherent in low-volume printed communications by providing printing that is low-volume, flexible, high quality, aesthetic, quick, colorful and affordable." Bonne Impression achieved this vision with desktop publishing software, desktop printers, and specialty desktop publishing paper supplies.

"Pivoting to the Web, 1998-2002"; As the internet took flight in the late 1990's, the company maintained its customer focus on do-it-yourself graphic design and printing for small quantities of full-color print, but also recognized the transformative potential of the Internet. We pioneered two key technologies that would change our industry: browser-based desktop publishing software, and workflow automation software that automatically aggregates very large numbers of small orders into high-quality, low-cost, high-volume production streams. In June 1999 we changed our name to VistaPrint, launched VistaPrint in France and the UK and, in 2000, expanded to the U.S.

ARC DOCUMENT SOLUTIONS History

Inasmuch as this study paper was generated for owners of companies involved in the "reprographics and graphic imaging industry", since ARC, the largest "reprographics" company in that industry, is very well known in that industry, the author has chosen not to bother including information about ARC's history.

Comparison of Price-Per-Share

"prices-per-share" in this table were taken from bar-graphs that appear on Google Finance; the prices may not be exact, but they are close

	<i>close to IPO</i>			<i>at all-time low</i>	<i>at all-time peak</i>
	2/18/05	2/15/24		4/17/20	2/5/06
Price-per-Share	\$ 13.10	\$ 2.65		\$ 0.66	\$ 38.10
	<i>intraday</i>				
	<i>close to IPO</i>			<i>at peak</i>	
	9/30/05	2/15/24		11/14/08	3/9/18
Price-per-Share	\$ 15.25	\$ 90.65		\$ 12.77	\$ 171.24
	<i>intraday</i>				

VISTAPRINT LIMITED ANNUAL REPORT ON FORM 10-K For the Fiscal Year Ended June 30, 2006

Intro to the "Business"

"We are a leading online supplier of high-quality graphic design services and customized printed products to small businesses and consumers worldwide with over 7,000,000 customers served in more than 120 countries. We offer a broad spectrum of products ranging from business cards and brochures to invitations and holiday cards. We seek to offer compelling value to our customers through an innovative use of technology, a broad selection of customized printed products, low pricing and personalized customer service. Through our use of proprietary Internet-based graphic design software, localized websites, proprietary order receiving and processing technologies and advanced computer integrated printing facilities, we offer a meaningful economic advantage relative to traditional graphic design and printing methods. We believe that our value proposition has allowed us to successfully penetrate the large, fragmented and geographically dispersed small business and consumer markets."

Note: at some point between 2006 and 2023, the company adopted the corporate name of "CIMPRESS" instead of continuing to use the corporate name of VistaPrint. VistaPrint is CIMPRESS' largest business unit.

CIMPRESS PLC ANNUAL REPORT ON FORM 10-K For the Year Ended June 30, 2023

Intro to the "Business"

"Cimpress is a strategically focused group of more than ten businesses that specialize in mass customization of printing and related products, via which we deliver large volumes of individually small-sized customized orders. Our products and services include a broad range of marketing materials, business cards, signage, promotional products, logo apparel, packaging, books and magazines, wall decor, photo merchandise, invitations and announcements, design and digital marketing services, and other categories. Mass customization is a core element of the business model of each Cimpress business and is a competitive strategy which seeks to produce goods and services to meet individual customer needs with near mass production efficiency. We discuss mass customization in more detail further below."

CIMPRESS' BUSINESSES

BuildASign is a fast-growing internet-based provider of canvas-print wall décor, business signage and other large-format printed products, based in Austin, Texas.

Druck.at is Austria's leading provider of web-to-print products including multi-page brochures, folders, flyers, business cards, signs and banners.

Drukwerkdeal.nl has a passion for delivering customer happiness across a wide selection of printed materials for small and medium businesses in the Netherlands and Belgium. Key product lines include signage, print, advertising materials, corporate-wear and promotional gifts.

Easyflyer provides French customers with a range of small and large format printed products with a passion for providing the best possible customer experience.

Exaprint serves print, design and marketing professionals in France and Spain. They provide a wide range of high-quality finishing options on business cards, flyers, brochures, banners, posters, stickers, labels, promotional products and signage.

With 56 years of experience and serving 22 countries, **Pens.com** offers more value, savings and time to customers through expert guidance on a range of personalized promotional products, including writing instruments, stationery, drinkware, bags, gifts, and trade show accessories.

Pixartprinting is a leading web-to-print company serving customers across Europe. The company provides printing services for graphic design agencies, print resellers and local printers.

Based in Brazil, **Printi** is one of the Americas' leading online printing company offering a broad portfolio of customizable, printed products including business cards, flyers, labels, banners, and more.

Tradeprint is a leading online trade printer in the UK, serving local printers, print buyers and graphic arts professionals. Tradeprint offers customized products including flyers, leaflets, business cards, booklets, posters, letterheads and more.

Vista is the design and marketing partner to millions of small businesses around the world. Together, **VistaCreate**, **99designs by Vista** and **VistaPrint** represent a full-service design, digital and print solution, elevating small businesses' presence in physical and digital spaces and powering them to achieve success.

WIRmachenDRUCK, a German web-to-print company, offers graphic designers and print resellers a vast range of highly customizable products at low prices; from promotional products to customized beverage cans.

<u>CIMPRESS</u>	FY 2019 6/30/19	FY 2020 6/30/20	FY 2021 6/30/21	FY 2022 6/30/22	FY 2023 6/30/23	FY 2024 (1H 12/31/23)	FY Run Rate
Revenue							
Vistaprint	\$ 1,473	\$ 1,337	\$ 1,428	\$ 1,515	\$ 1,614	\$ 882	\$ 1,764
Upload & Print	\$ 769						
Print Brothers		\$ 418	\$ 422	\$ 527	\$ 578	\$ 317	\$ 634
The Print Group		\$ 275	\$ 276	\$ 330	\$ 347	\$ 174	\$ 348
National Pen	\$ 348	\$ 299	\$ 314	\$ 342	\$ 366	\$ 218	\$ 436
BuildASign (1)	\$ 108						
All Other Businesses (3)		\$ 174	\$ 192	\$ 206	\$ 214	\$ 112	\$ 224
Early Stage Investments	\$ 77						
MCP Investment							
Reconciling Items	\$ (25)	\$ (22)	\$ (55)	\$ (32)	\$ (39)	\$ (24)	\$ (48)
Total Revenues	\$ 2,750	\$ 2,481	\$ 2,577	\$ 2,888	\$ 3,080	\$ 1,679	\$ 3,358
<i>(1) Nine Months under Cimpres</i>							
Income from Operations			\$ 124	\$ 48	\$ 57	\$ 142	\$ 284
Income from Operations (Margin)			4.81%	1.66%	1.85%	8.46%	8.46%
Adjusted EBITDA			\$ 349	\$ 281	\$ 340	\$ 255	\$ 510
Adjusted EBITDA (Margin)			13.54%	9.73%	11.04%	15.19%	15.19%

	Cimpres
Market Cap on 2/14/24	\$2.39 Billion
Market Cap (from above)	\$ 2,391
FY 2024 Revenue Run-Rate	\$ 3,358
Market Cap as % of Revenues	71.20%

	ARC
Market Cap on 2/15/24 (Intraday)	\$113.85 Million
Market Cap (from above)	\$ 113.85
CY 2023 Revenue Run-Rate	\$ 283.07
Market Cap as % of Revenues	40.22%

ARC	CY 2021	CY 2022	9 Mo's 9/30/23	CY Run-Rate
Revenue	\$ 272.20	\$ 286.00	\$ 212.30	\$ 283.07
Net Income	\$ 9.50	\$ 12.00	\$ 9.40	\$ 12.53
Net Income (Margin)	3.49%	4.20%	4.43%	4.43%
Adjusted EBITDA	\$ 41.70	\$ 40.90	\$ 29.80	\$ 39.73
Adjusted EBITDA (Margin)	15.32%	14.30%	14.04%	14.04%

Year-to-Year Revenue Change comparison

	12/31/19	12/31/20	12/31/21	12/31/22	run rate 12/31/23	change from 2019 to 2023
ARC Revenues, Calendar Year	\$ 382.40	\$ 289.40	\$ 272.15	\$ 286.00	\$ 283.07	
Year over year \$ change		\$ (93.00)	\$ (17.25)	\$ 13.85	\$ (2.93)	\$ (99.33)
Year over year %age change		-24.32%	-5.96%	5.09%	-1.03%	-25.98%
vs.						
	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	change from 2019 to 2023
Cimpres Revenues, Fiscal Year	\$ 2,750	\$ 2,481	\$ 2,577	\$ 2,888	\$ 3,080	
Year over year \$ change		\$ (269.00)	\$ 96.00	\$ 311.00	\$ 192.00	\$ 330.00
Year over year %age change		-9.78%	3.87%	12.07%	6.65%	12.00%

Year-to-Year Revenue comparison

Great Recession Begins

Covid Begins March 2020

Calendar Year	ARC Revenues (in millions)	Fiscal Year	CIMPRESS Revenues (in millions)
2005	\$ 494	6/30/05	\$ 91
2006	\$ 592	6/30/06	\$ 152
2007	\$ 688	6/30/07	\$ 256
2008	\$ 701	6/30/08	\$ 401
2009	\$ 502	6/30/09	\$ 516
2010	\$ 442	6/30/10	\$ 670
2011	\$ 423	6/30/11	\$ 817
2012	\$ 406	6/30/12	\$ 1,020
2013	\$ 407	6/30/13	\$ 1,167
2014	\$ 424	6/30/14	\$ 1,270
2015	\$ 429	6/30/15	\$ 1,494
2016	\$ 406	6/30/16	\$ 1,788
2017	\$ 395	6/30/17	\$ 2,135
2018	\$ 401	6/30/18	\$ 2,593
2019	\$ 382	6/30/19	\$ 2,750
2020	\$ 290	6/30/20	\$ 2,481
2021	\$ 272	6/30/21	\$ 2,577
2022	\$ 286	6/30/22	\$ 2,888
2023 (Run-Rate)	\$ 283	6/30/23	\$ 3,080

This shading indicates years where revenues declined from the prior year.

This shading indicates the year in which revenues reached a peak.