

Results Q1 2023

Analyst Conference Call



CEWE Stiftung & Co. KGaA
May 11, 2023



2023



cewe

This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of CEWE. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

All numbers are calculated as exactly as possible and rounded for the presentation. Due to this, rounding differences might occur.



Yvonne Rostock
CEO

Dr. Olaf Holzkämper
CFO

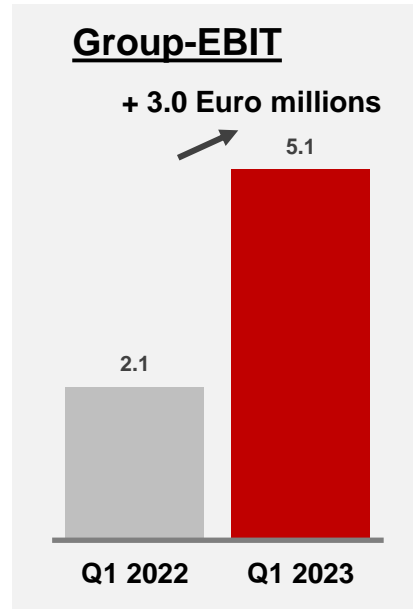
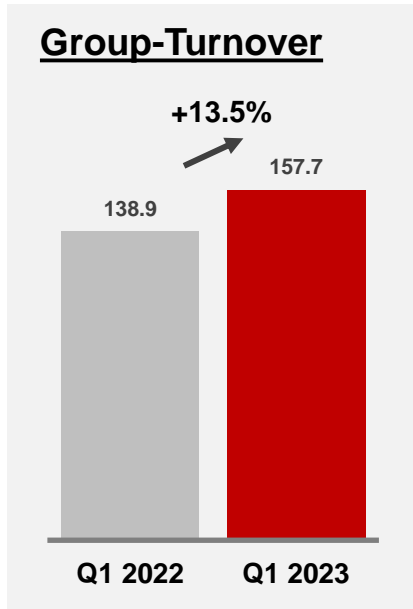


Agenda

- (1) Corporate Development by Business Segments
- (2) Group Results
- (3) Financial Details
- (4) Outlook
- (5) Q&A-Session

Strong start to the year for CEWE in Q1: 2023 targets confirmed

in Euro millions



- Strongest Q1 turnover in the company's history: **Group turnover** increases significantly by 13.5% to **157.7 million euros** (Q1 2022: 138.9 million euros). **Group EBIT** increases by 3.0 million euros and reaches a strong **5.1 million euros** (Q1 2022: 2.1 million euros).
- **Turnover** in the **Photofinishing business segment** increases by 12.0% to **126.1 million euros**, **EBIT** rises to **5.2 million euros**.
- **Commercial Online-Print** continues to grow significantly, achieving a **turnover increase** of 26.6% to **22.6 million euros**. **EBIT** improves to **0.4 million euros**.
- **Hardware Retail** continues to perform well, with **turnover** up 3.3% to **6.7 million euros** and improved **EBIT** of **-0.2 million euros**.
- The **targets for 2023** are reaffirmed.

Photofinishing



ceWe

Innovation Days 2023



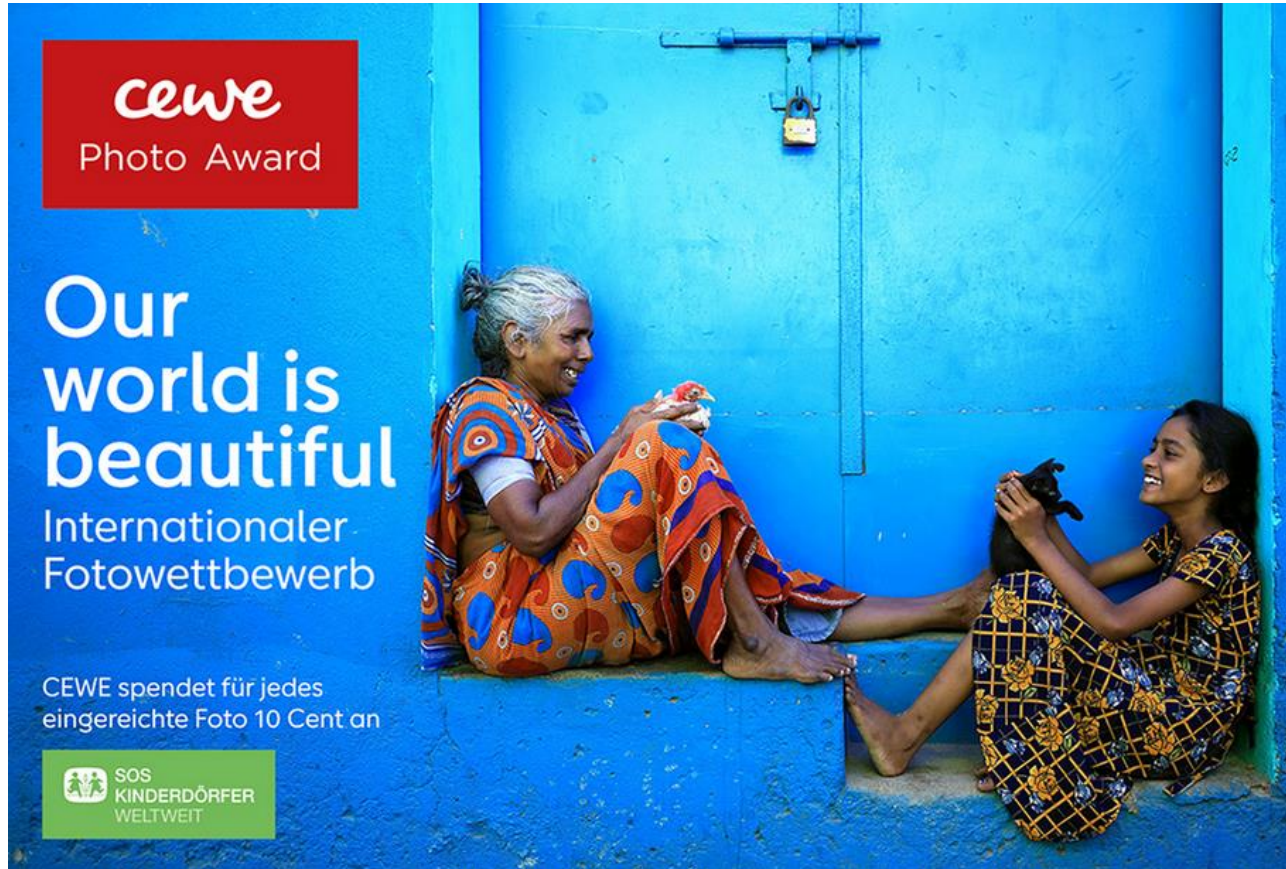
Innovation Days 2023



Innovation Days 2023




CEWE Photo Award: World's largest photo contest



cewe
Photo Award

Our world is beautiful
Internationaler Fotowettbewerb

CEWE spendet für jedes eingereichte Foto 10 Cent an

 SOS KINDERDÖRFER WELTWEIT

Participation still possible until end of May 2023!

Sixth win in a row: TIPA Award for the CEWE PHOTOBOOK

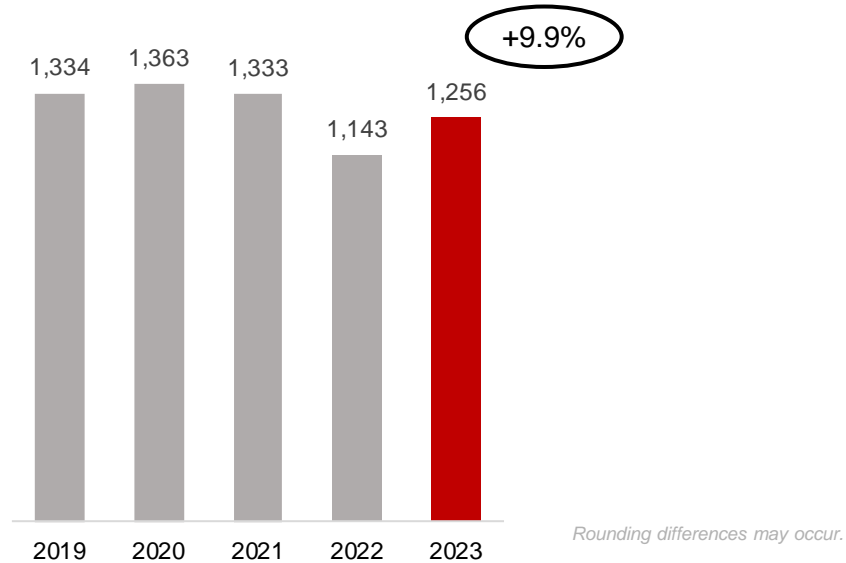


Awarded:

CEWE PHOTOBOOK
with 100% recycled paper

CEWE PHOTOBOOK Q1

Number in thousands

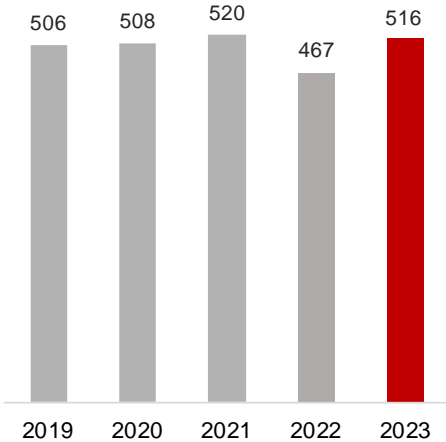


» While the classic multi-photo product still felt the temporary lack of photos in the pandemic years 2021/22, which was mainly caused by vacation restrictions (e.g. few to no long-distance trips), the CEWE PHOTOBOOK is now clearly on the rise again

Number of prints and turnover Photofinishing Q1

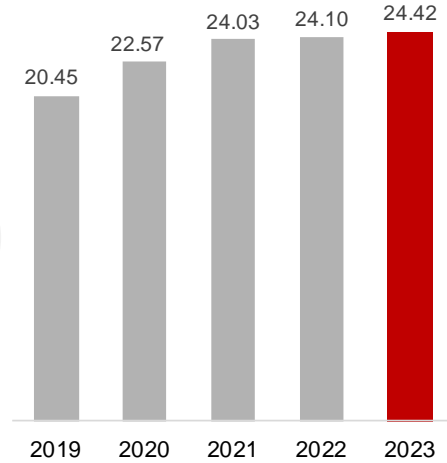
Total prints
in millions

+10.5%
Target 2023:
-3% to +3%



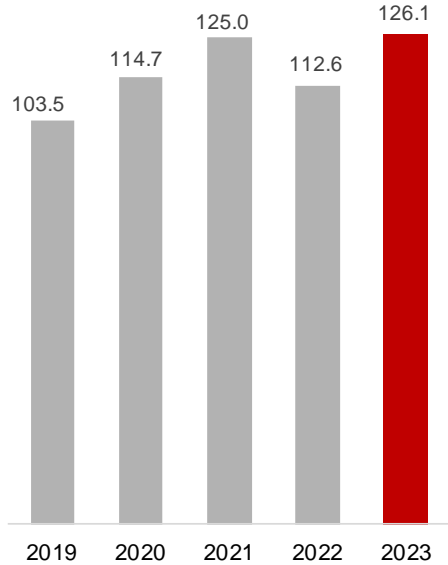
Value per photo
Turnover / photo
(Euro cent / photo)

+1.3%



Turnover Photofinishing
in Euro millions

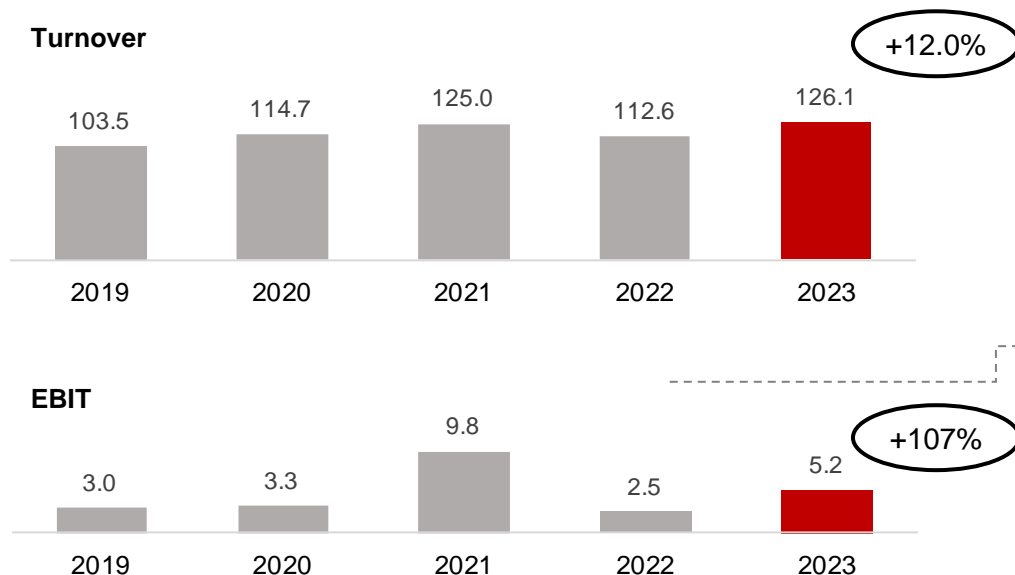
+12.0%



- » Photo volume and turnover per photo continue to increase and let photofinishing turnover to rise significantly
- » Changed product mix affects turnover per photo: In the Corona years, there was increased demand for e.g. wall prints and puzzles with high turnover per photo; now the proportion of individual prints with comparatively lower turnover per photo is increasing again

Business Segment Photofinishing Q1

in Euro millions

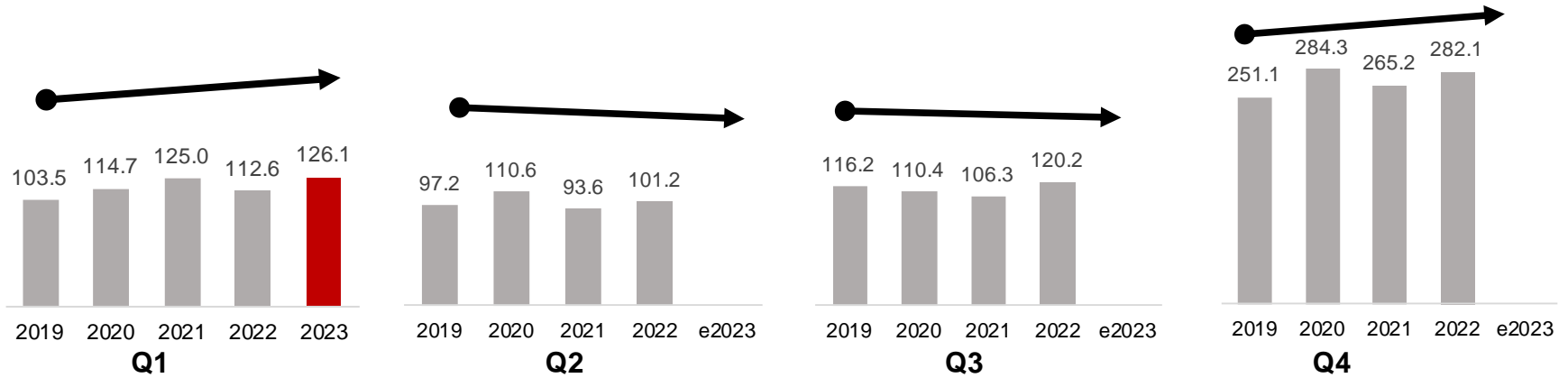


» **Record turnover in the first quarter: Photofinishing increases significantly and improves earnings by a strong 2.7 million euros**

- Strongest Q1 turnover in the company's history: Photofinishing turnover continues to increase significantly by +12.0% after the end of the Corona pandemic. In particular, the increase in vacation travel activity and the return of events, family celebrations, etc. are generating a large number of new photo images and leading consumers to order more photo products.
- In addition, implemented price increases support turnover growth and provide additional contribution margins: 12.0% turnover growth results from around 5%-points price increases and around 7%-points demand-related growth.
- Photofinishing EBIT thus improved by a strong +2.7 million euros due to volume and price factors.
- Special effects Q1 2023: -0.8 million euros
 - Effects from the purchase price allocation of Cheerz: -0.2 million euros
 - Effects from the purchase price allocation of WhiteWall: -0.5 million euros
 - Effects from the purchase price allocation of Hertz: -0.1 million euros
- Special effects Q1 2022: -0.9 million euros
 - Effects from the purchase price allocation of Cheerz: -0.4 million euros
 - Effects from the purchase price allocation of WhiteWall: -0.5 million euros

Photofinishing-Turnover by Quarter

Seasonal distribution: CEWE 2019 to 2023 – Share in turnover by quarter as a million



Turnover target 2023
approx. 590 to 650 m€*

Q1 target
112.1 to 123.5 m€

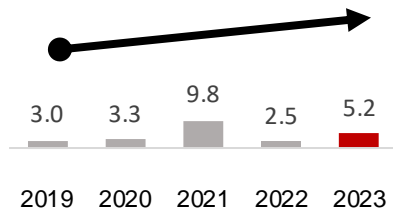
Q1 actual
126.1 m€



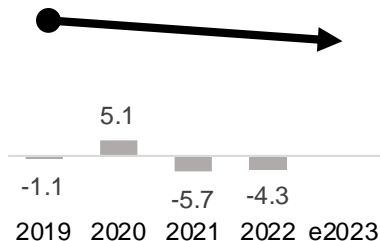
» **Photofinishing turnover in Q1 above planned target range**

Photofinishing-EBIT by Quarter

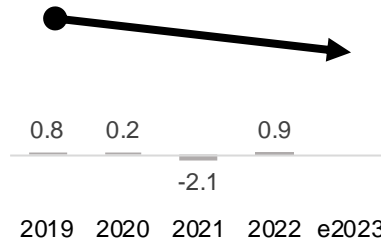
Seasonal distribution: CEWE 2019 to 2023 – EBIT by quarter in Euro million



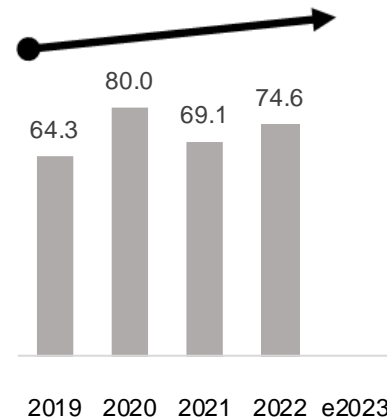
Q1



Q2



Q3



Q4

EBIT target 2023
68.5 to 80.5 m€*

Q1 target*
+3.0 to +4.0 m€

Q1 actual
+5.2 m€



» **Photofinishing-EBIT in Q1 above planned target range**

Commercial Online-Print

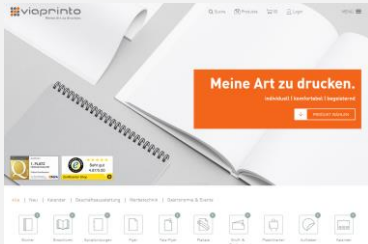


cewe

Commercial Online-Print



Service focus



Cost leader in industrial online printing



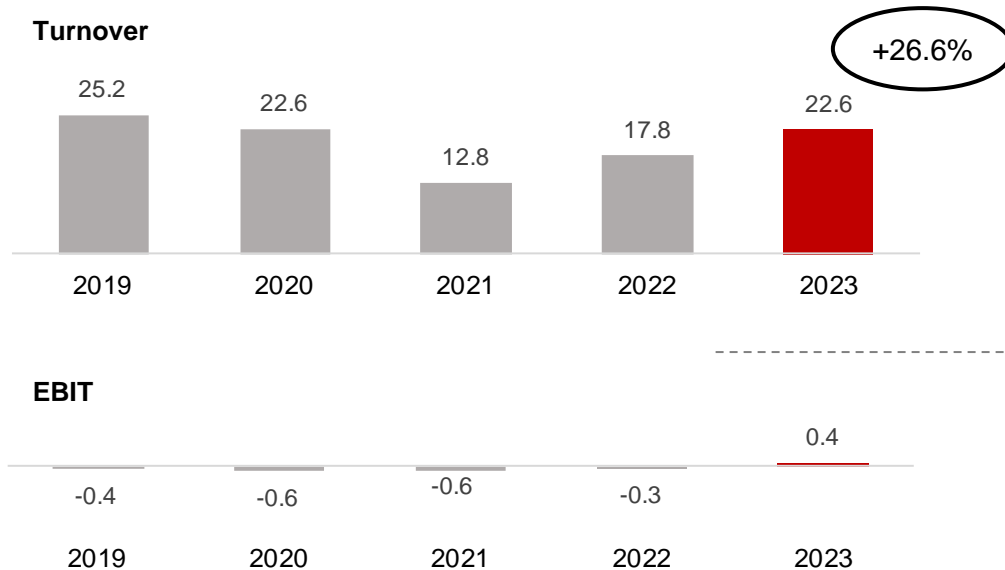
Metropolitan area Berlin



- Business and advertising prints: flyers, business cards, stationery, packaging, promotional items, etc.

Business Segment Commercial Online-Print Q1

in Euro millions



- In Q1, COP continues to benefit from the ongoing Corona normalization as well as the "best price guarantee" and increases turnover significantly - but does not yet reach the pre-Corona level.
- Turnover growth and further strict cost management are improving EBIT in the COP - which is also stronger than in pre-Corona times.
- Special effects Q1 2023: -0.03 million euros
 - Effects from the purchase price allocation of Laserline: -0.03 million euros
- Special effects Q1 2022: -0.1 million euros
 - Effects from the purchase price allocation of Laserline: -0.1 million euros

» **COP continues to benefit from the (post-Corona) recovery and increases turnover and earnings with its "best price guarantee"**

Retail



ceWe

Retail with focus on photofinishing business

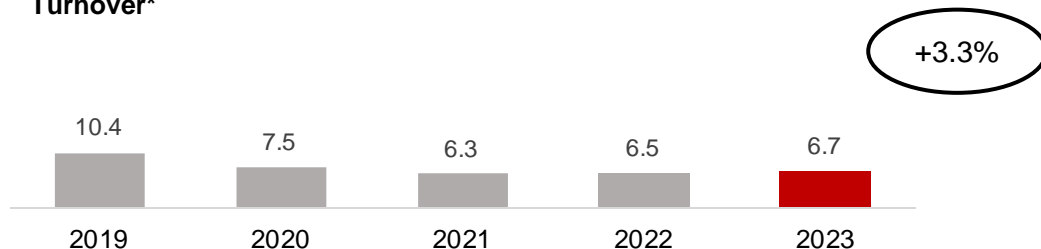


» Retail segment contains hardware revenue only,
photofinishing business is shown in photofinishing segment

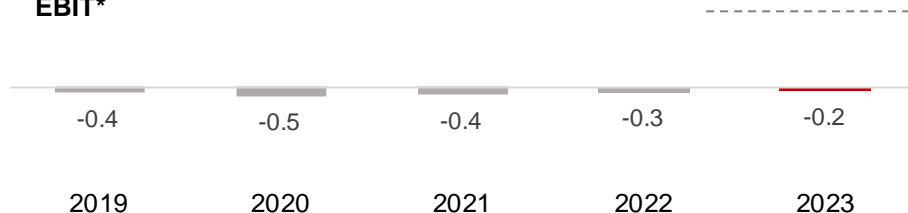
Business Segment Retail* Q1

in Euro millions

Turnover*



EBIT*



- Retail also benefited once again from the normalization following the end of the Corona pandemic and slightly increased hardware turnover in Q1.
- By focusing on the photofinishing business and refraining from low-margin hardware business, the active reduction in turnover in the years before the onset of the Corona crisis was around -10% in line with the company's strategy.
- EBIT, which is traditionally slightly negative in the first quarter due to the seasonality of the business, improved to -0.2 million euros.
- Special effects Q1 2023: none
- Special effects Q1 2022: none

» Retail continues to be well positioned with optimized store structure

* only hardware, no photofinishing
Rounding differences may occur.

Other

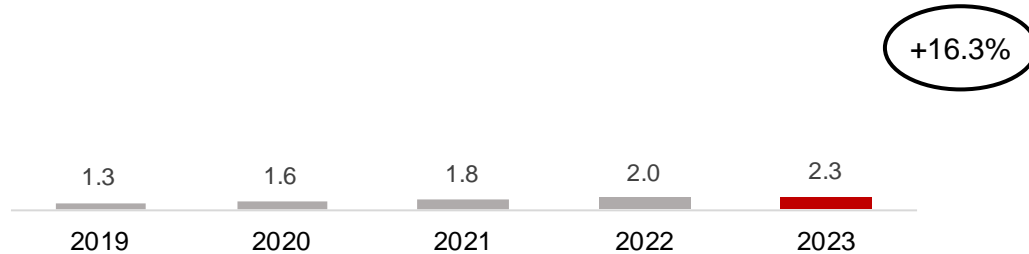


ceWe

Business Segment Other Q1

in Euro millions

Turnover



EBIT



Structural and corporate costs and profits arising from real estate property and company investments are shown in the "other" business segment.

- The Euro 2.3 million turnover is exclusively attributable to futalis (Q1 2022: EUR 2.0 million).
- The EBIT contribution of the segment amounts to -0.3 million euros (Q1 2022: 0.1 million euros).
- Slightly reduced contributions to earnings from real estate holdings and from futalis lead to an overall decline in the segment result of 0.4 million euros.

» Other business segment further increases turnover

Group Results

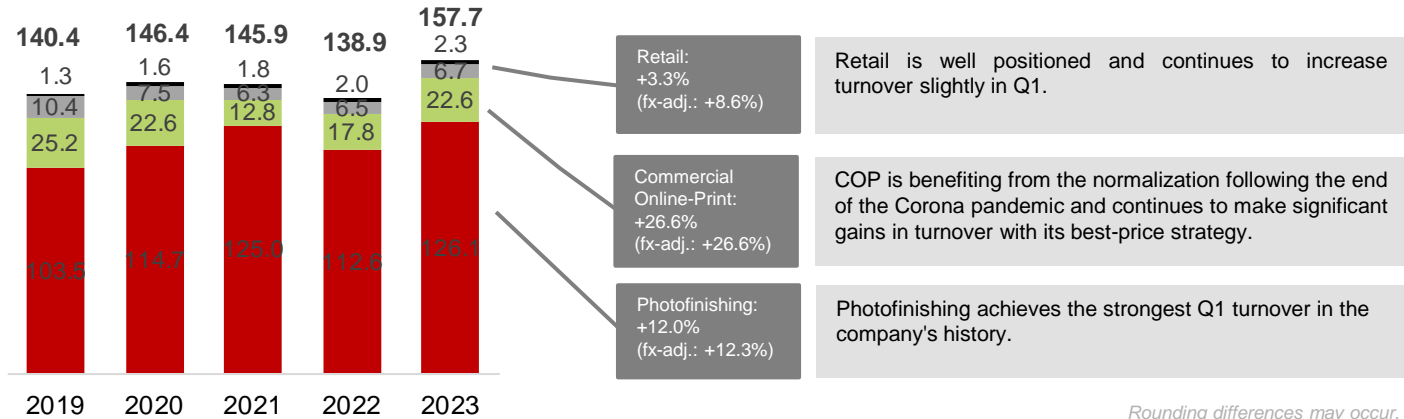


ceWe

Turnover Q1

in Euro million

+13.5%
 (fx-adj.: +14.0%)
 Target 2023:
 -3% to +5%



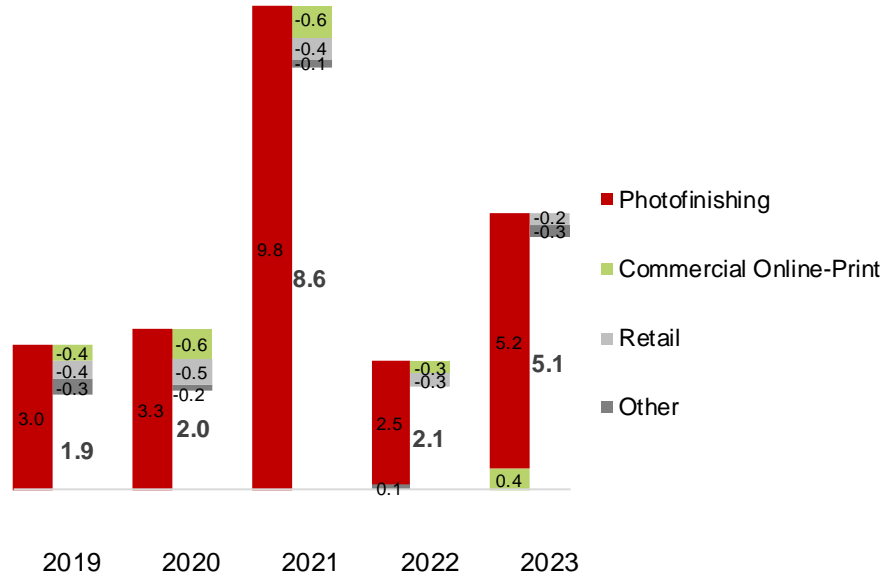
■ Photofinishing ■ Commercial Online-Print ■ Retail ■ Other

- » **CEWE achieves strongest Q1 turnover in the company's history**
- » **All business segments with turnover growth**



EBIT Q1

in Euro million



» Group EBIT significantly better than in pre-Corona Q1 2019/20 and also clearly better than in previous year's quarter

Financial Details



ceWe

Consolidated income statement Q1

Figures in millions of euros	Q1 2022	% Turnover	Q1 2023	% Turnover	Δ as %	Δ m€
Revenues	138.9	100.0%	157.7	100.0%	13.5%	18.8
Increase / decrease in finished and unfinished goods	0.0	0.0%	0.1	0.1%	-	0.1
Other own work capitalised	0.3	0.2%	0.8	0.5%	187%	0.5
Other operating income	6.3	4.6%	5.8	3.7%	-8.4%	-0.5
Cost of materials	-34.7	-25.0%	-42.8	-27.1%	-23.2%	-8.1
Gross profit	110.7	79.7%	121.5	77.1%	9.8%	10.8
Personnel expenses	-46.9	-33.8%	-50.0	-31.7%	-6.7%	-3.1
Other operating expenses	-48.6	-35.0%	-53.5	-33.9%	-10.0%	-4.9
EBITDA	15.2	10.9%	18.0	11.4%	18.5%	2.8
Amortisation/Depreciation	-13.1	-9.4%	-12.9	-8.2%	1.7%	0.2
Earnings before interest, taxes (EBIT)	2.1	1.5%	5.1	3.3%	146%	3.0
Financial income	0.0	0.0%	0.2	0.1%	>1000%	0.2
Financial expenses	-0.3	-0.2%	-0.3	-0.2%	-10.2%	0.0
Financial result	-0.3	-0.2%	-0.2	-0.1%	51.5%	0.2
Earnings before taxes (EBT)	1.8	1.3%	5.0	3.2%	180%	3.2

(+) Growth continued in particular in PF (+ € 13.5 m.), but also in COP (+ € 4.7 m.) and Retail (+ € 0.2 m.) compared to the prior year

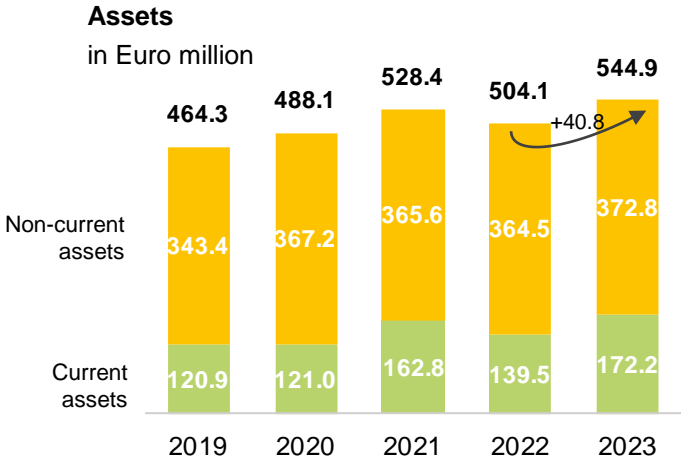
(-) Absolute increase in cost of materials in line with revenue increases
 (-) Cost of materials ratio increased due to higher share of revenue from COP as well as price increases for raw materials, consumables and operating materials

(-) Personnel expenses increase at a relatively lower rate than revenues
 (-) Change in revenue shares (COP ↑; PF ↓; Retail ↓) favors lower personnel expense ratio

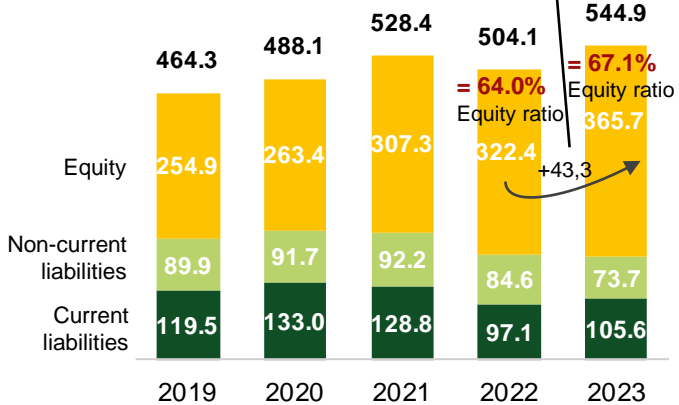
(-) Sales-driven increase primarily in distribution costs, comprising of distribution costs (mail order), advertising and representation costs
 (-) Administrative expenses increase in particular due to IT costs and consulting costs
 (-) General cost increases (in particular energy costs) due to inflation

Rounding differences may occur.

Balance Sheet at 31 March



Comprehensive income + € 58.6 m.
Dividend - € 16.6 m.

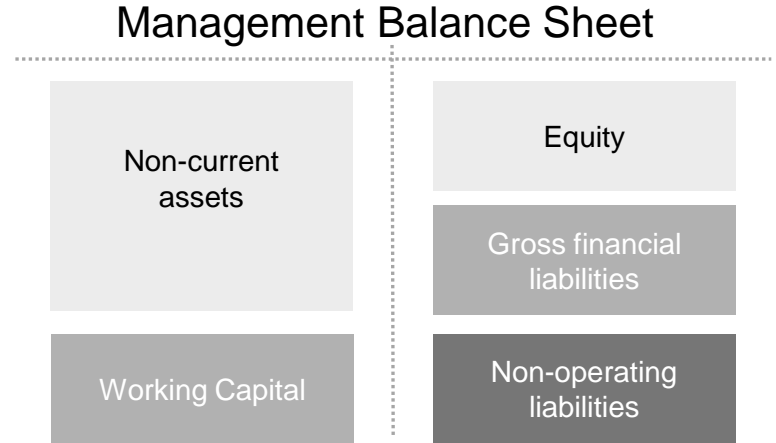
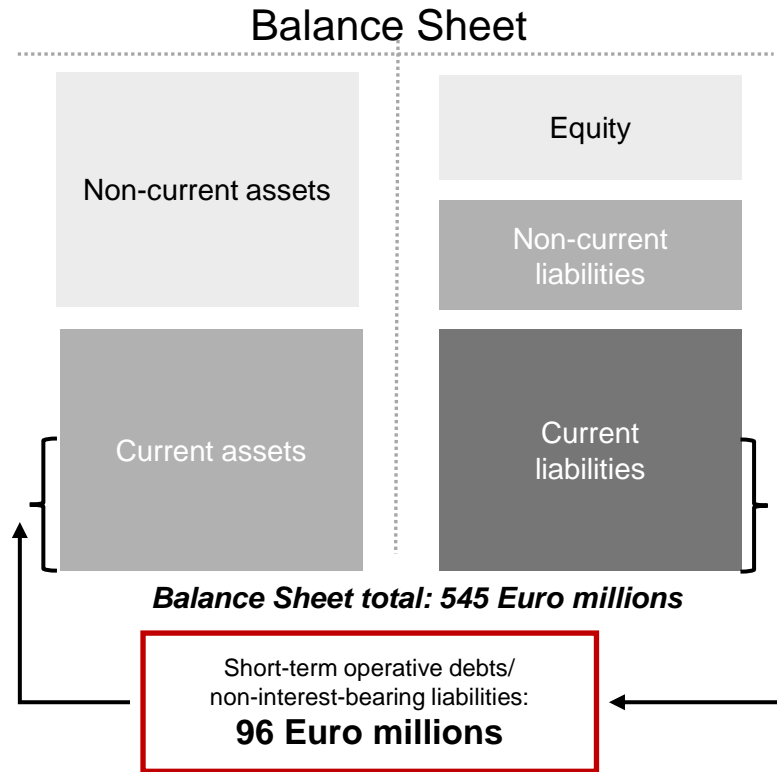


- » Total assets increased by € 40.8 m. to € 544.9 m.
- » Strong overall result leads to increase in equity ratio to 67.1 % (previous year: 64.0 %)

Rounding differences may occur.



From Balance Sheet to Management Balance Sheet



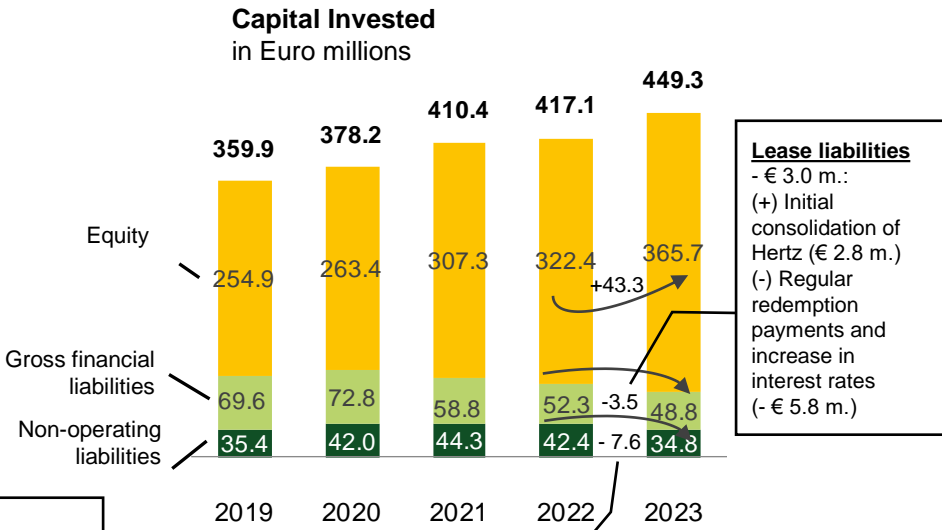
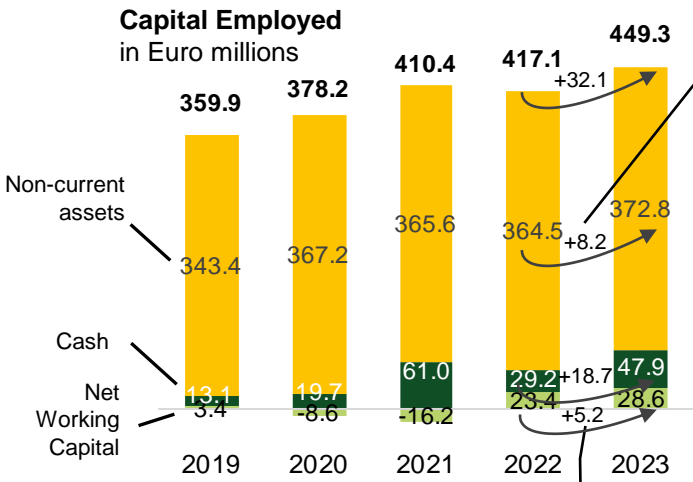
Balance Sheet total: 449 Euro millions

- > The Balance Sheet total is reduced to capital elements "to be paid for" (by way of dividends or interest) in the management balance sheet

Management-Balance Sheet at 31 March

Fixed assets + € 12.1 m.:
Higher investments in the last 12 months (incl. purchase of Hertz (€ 4.8 m.)) compared to depreciation

Deferred tax assets - € 3.4 m.: reduction in pension accruals



Lease liabilities
- € 3.0 m.:
(+) Initial consolidation of Hertz (€ 2.8 m.)
(-) Regular redemption payments and increase in interest rates (- € 5.8 m.)

Net operating W/C + € 1.8 m.
• **Trade receivables** (+ € 6.5 m.) and **inventories** (+ € 3.4 m.) increase more strongly than **trade payables** (+ € 8.1 m.)

Other net W/C + € 3.4 m.
• **Other current receivables and assets** + € 3.4 m.: Input tax refund claims
• **Tax position** - € 0.7 m.: Income tax receivables (+ € 0.4 m.), tax liabilities (+ € 1.1 m.)

Pension accruals
- € 9.3 m.: significant change in interest rate

Rounding differences may occur.

- » Capital employed rises by € 32.1 m., mainly due to increase in cash and cash equivalents
- » Continued solid equity leads to increase in capital invested to € 449.3 m.



Free cash flow Q1

Increase of + € 11.3 m. due to:

(+) € 3.9 m. increase in earnings (total of EBITDA and non-cash effects).

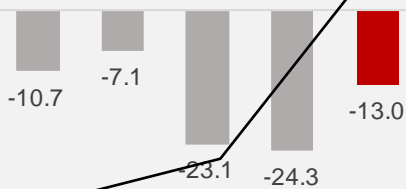
(+) € 7.1 m. higher cash flows from net operating working capital (payments from trading partners, which were delayed in Q4 2022 and thus not received in 2022, were made up in Q1 2023)

(-) € 4.5 m. higher payments in other net working capital, mainly resulting from sales tax and salary-related, in particular variable payments, due to higher sales in the Christmas business

(+) € 4.7 m. lower tax payments

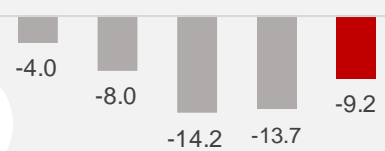
Cash Flow from operating business in Euro millions

2019 2020 2021 2022 2023



Outflow of funds from investment activities in Euro millions

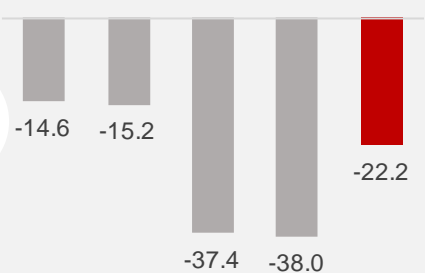
2019 2020 2021 2022 2023



2021: Acquisition of remaining Cheerz Shares (- € 9.8 m),
2022: Acquisition of a HQ building (- € 8.5 m.)

Free-Cash Flow in Euro millions

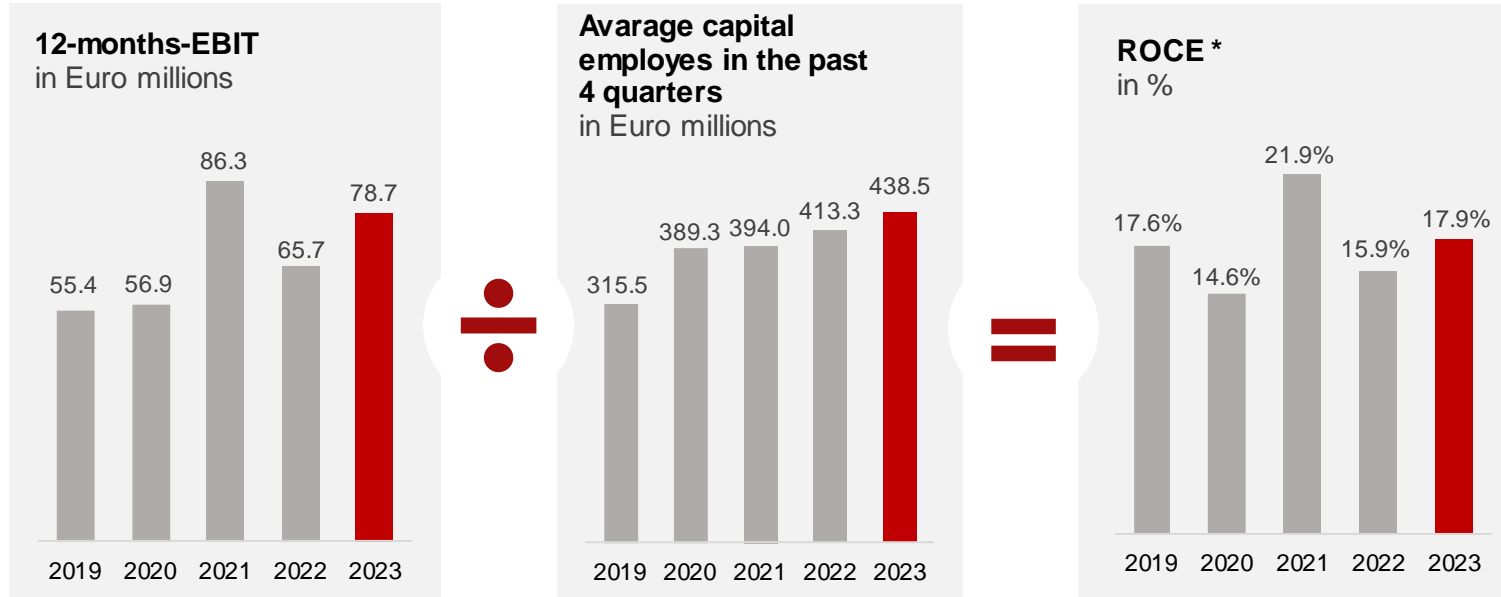
2019 2020 2021 2022 2023



Rounding differences may occur.

- » The strong result and catch-up payments from trading partners increased cash flow from operating business by € 11.3 m.
- » Outflow of funds from investment activities in 2023 is not affected by special items, as in 2021 and 2022, and thus amounts to € - 9.2 m.
- » Free cash flow increases to € - 22.2 m. and is thus closer to the pre-Corona level of 2019 and 2020

ROCE Q1



» ROCE at 17.9% significantly above the 14.6% of the last pre-Corona Q1 in 2020 and also clearly better compared with the prior-year quarter

* ROCE = EBIT / Capital Employed. Rounding differences may occur.

Outlook 2023

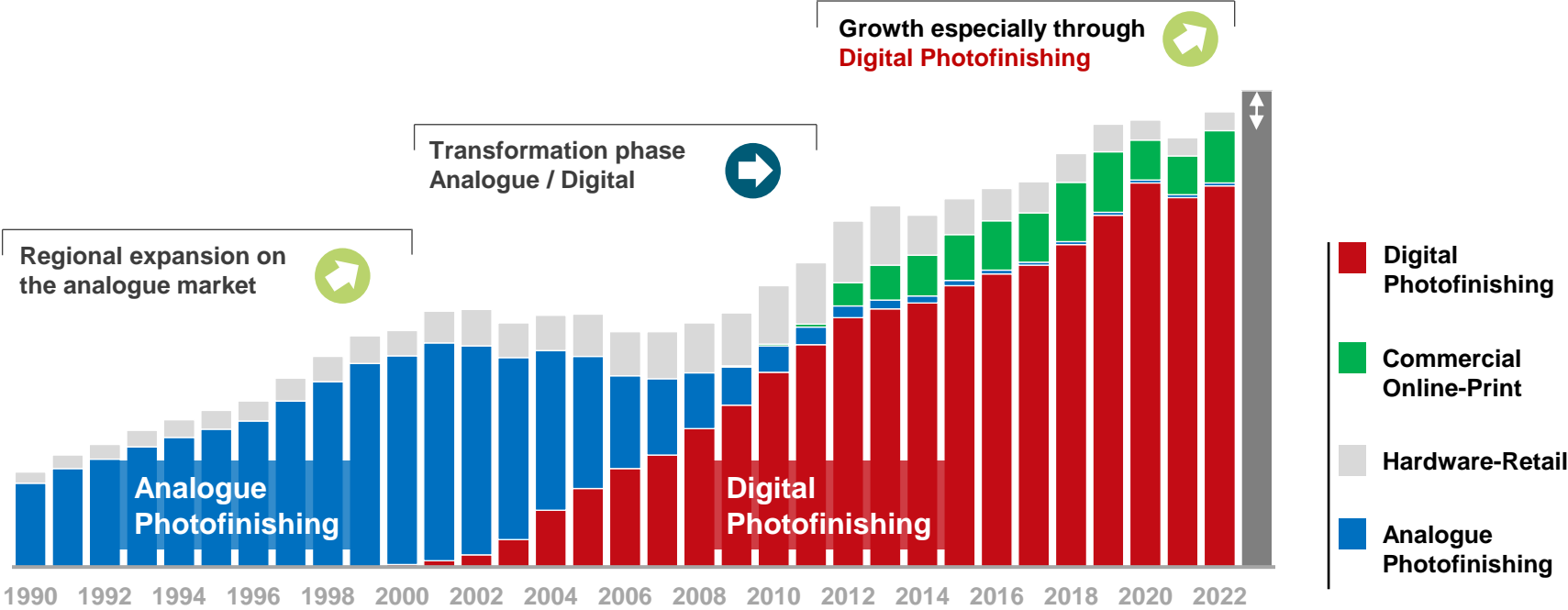


ceWe

Targets 2023 confirmed with Q1: CEWE on long term growth path

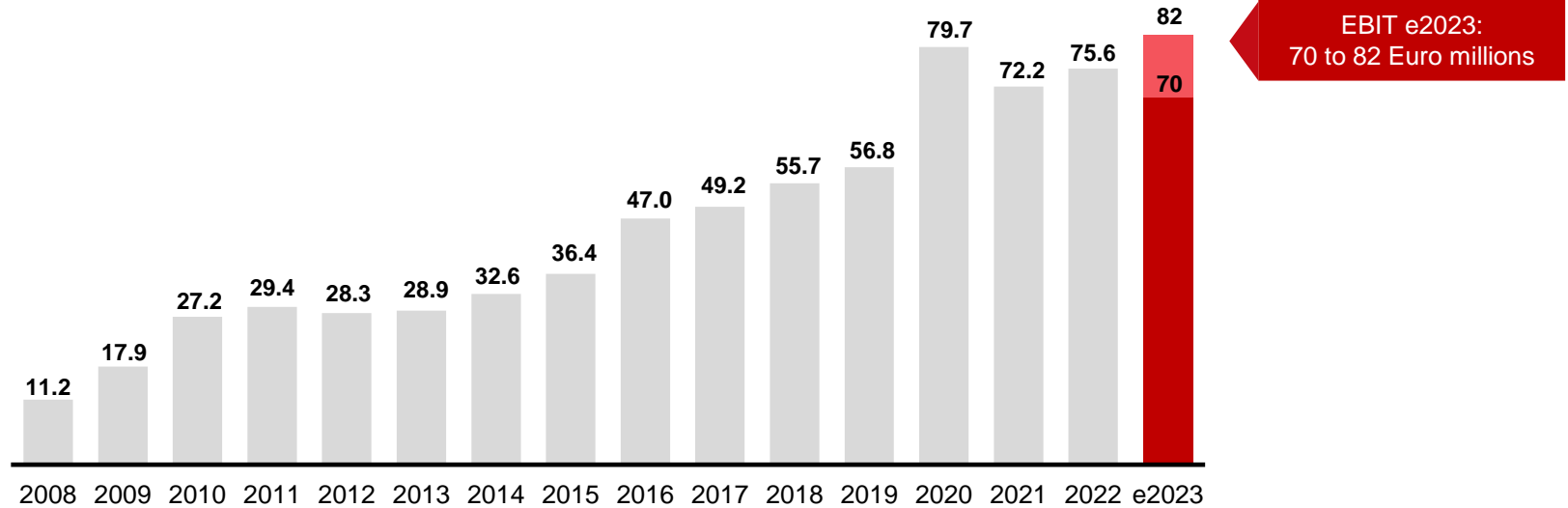
Revenue (CONCEPTUAL)

e2023: 720 to 780
Euro millions



Targets 2023 confirmed with Q1

EBIT in Euro millions



Targets confirmed with Q1: CEWE Group Targets 2023

Targets		PY 2022	Target 2023	Change
Photos ¹	billion photos	2.28	2.2 to 2.3	-3% to +3%
CEWE PHOTO BOOK	millions	5.85	5.7 to 6.0	-3% to +3%
Operational Investments ²	Euro millions	54.8	60	
Revenue	Euro millions	741.0	720 to 780	-3% to +5%
EBIT	Euro millions	75.6	70 to 82	-7% to +8%
EBT ³	Euro millions	74.8	69 to 81	-8% to +8%
Earnings after tax ⁴	Euro millions	51.1	47 to 55	-9% to +7%
Earnings per share	Euro	7.20	6.58 to 7.73	-9% to +7%

1 The number of photos is the sum of the images with which CEWE photo products were designed and refers to all images that are used in value-added (CEWE PHOTOBOOK, calendars, wall art, greeting cards, etc.)

2 Outflows from investments in property, plant and equipment and intangible assets, netted against inflows from the sale of property, plant and equipment and intangible assets; without acquisitions/company acquisitions

3 Without subsequent valuations of equity instruments

4 Based on the normalized group tax rate of the previous year

The range of the 2023 EBIT target reflects the uncertainty that is currently arising from the pandemic and also from general price increases.

CEWE assumes that the company will not be directly affected by the war in the Ukraine, neither on the procurement nor on the sales side.

At this point, CEWE's planning for 2023 does not take into account any effects – e.g. on consumer behavior – of the war in Ukraine extending in terms of time and/or space.

Q&A-Session



ceWe

cewe