



Pot v pekeli | Rok A tim | Winner CEWE Photo Award 2021

Results Q1 2022

Analyst Conference Call

CEWE Stiftung & Co. KGaA

May 11, 2022

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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.



Dr. Christian Friege
CEO

Dr. Olaf Holzkämper
CFO

Agenda

1. Corporate Development by Business Segments

1.1 Photofinishing

1.2 Commercial Online-Print

1.3 Retail

1.4 Other

2. Group Results

3. Financial Details

4. Outlook

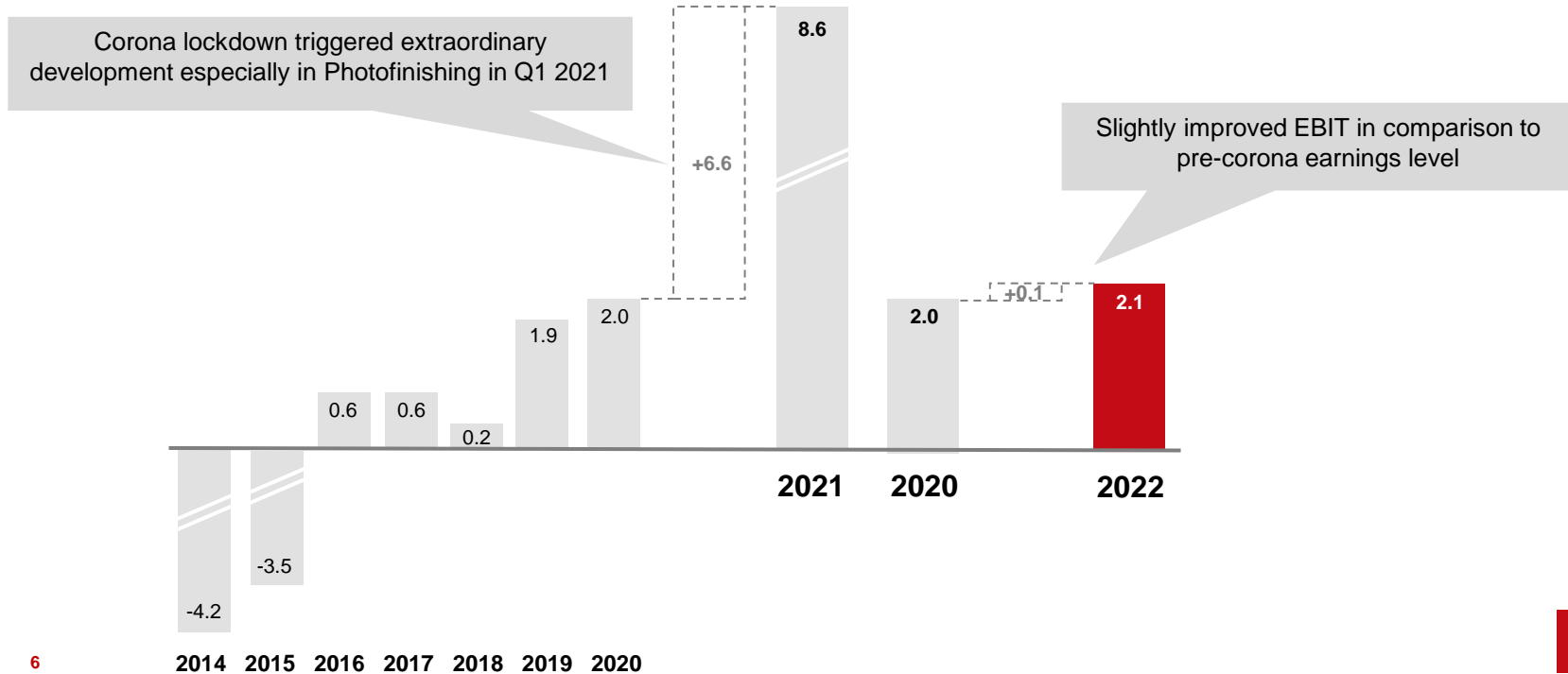
5. Q&A-Session

CEWE with slightly improved EBIT in Q1 vs. pre-Corona level: Targets 2022 confirmed

- At **138.9 million euros**, **Group turnover** were -4.8% below the previous year's sales, which were heavily influenced by Corona. The “stay-at-home” effect had particularly boosted demand for photographic products during the previous year's lockdown. As expected, this special development was not repeated. As planned, Group EBIT improved slightly vs. pre-Corona level to 2.1 million euros (Q1 2020: 2.0 million euros). In the same quarter of the previous year, Q1 2021, EBIT jumped to an exceptionally strong 8.6 million euros - driven by the lockdown special development in photofinishing.
- As expected (due to the strong lockdown effect in the previous year's quarter), **turnover** in the **Photofinishing** business segment was reduced by -9.9% to **112.6 million euros**, with **EBIT** reaching **2.5 million euros**.
- **Commercial Online-Print** increases significantly compared to the lockdown-weakened previous year and achieves a **turnover** increase of 38.8% with **17.8 million euros**. **EBIT** improves to **-0.3 million euros** (EBIT Q1 2021: -0.6 million euros).
- **Hardware Retail** is well positioned and, with an optimized store structure, achieves a **turnover** growth of 4.0% to **6.5 million euros**. **EBIT** improves to **-0.3 million euros** (EBIT Q1 2021: -0.4 million euros).
- **Targets 2022** are **confirmed**.

As expected, the previous year's corona-driven EBIT-development did not repeat

Group-EBIT in Q1 in million euros



CEWE receives Great Place to Work® award: "Germany's Best Employer 2022".



- CEWE honored as one of the 100 best employers in Germany
- 3,250 employees (84 percent of those entitled to participate) of the CEWE Group took part in the survey
- 81 percent of the participating employees rated CEWE as a "very good" employer
- Partners of the competition are Handelsblatt, Personalmagazin, Das Demographie Netzwerk e.V. (ddn) and the Initiative Ludwig-Erhard-Preise e.V. (ILEP)

NEW: Slipcase for CEWE PHOTOBOOK



Personalized Slipcase XL Square
for storage and to give away

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NEW: Slipcase for CEWE PHOTOBOOK



NEW: Slipcase for CEWE PHOTOBOOK



Award ceremony: CEWE PHOTOBOOK competition



Comeback of international (vacation) travel on the horizon: Consumers' stock of images is growing again

Geographical location of photos taken in CEWE production around the Easter (vacation) period



2020 (pre-Corona)



2021 (Corona-lockdown)



2022 („post“-Corona)

Travels come back

Handelsblatt

WOCHENENDE 6./7./8. MAI 2022, NR. 88

„People are traveling again. We expect more tourists on board this summer than ever before.“

Lufthansa-CEO Carsten Spohr

Handelsblatt

MITTWOCH, 4. MAI 2022, NR. 86

„Tour operators report bookings back at pre-pandemic levels.“



tagesschau

German travel operators are enjoying good business.

„We expect a strong summer.“

TUI-CEO Friedrich Jousen

„Our customers have a lot of catching up to do.“

TUI Head of Germany Stefan Baumert

„Bookings are good for the entire Easter vacation period until fall, better than expected in many cases, and exceeding 2019 pre-Corona numbers in highly desired destinations.“

FTI Touristik CEO Ralph Schiller



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Photofinishing

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Number of prints and turnover Photofinishing Q1

Total prints
in millions

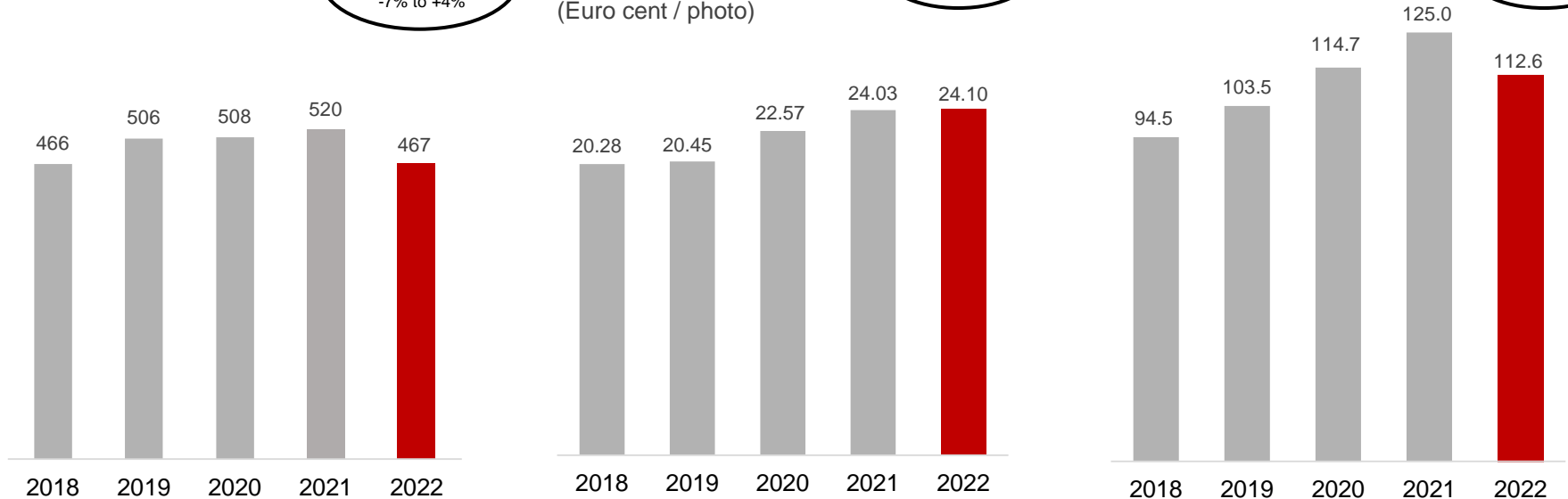
-10.2%
Target 2022:
-7% to +4%

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

+0.3%

Turnover Photofinishing
in Euro millions

-9.9%



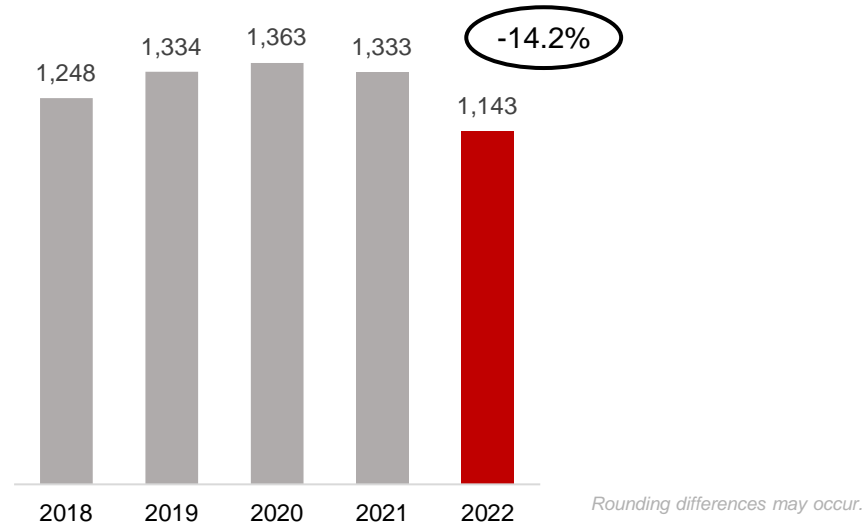
Rounding differences may occur.

- In the previous year's Q1 2021, the Corona-related "stay-at-home" effect in the lockdown of the first three months had a particularly positive impact on demand for photographic products; as expected, this special development was not repeated in this year's opening quarter



CEWE PHOTOBOOK Q1

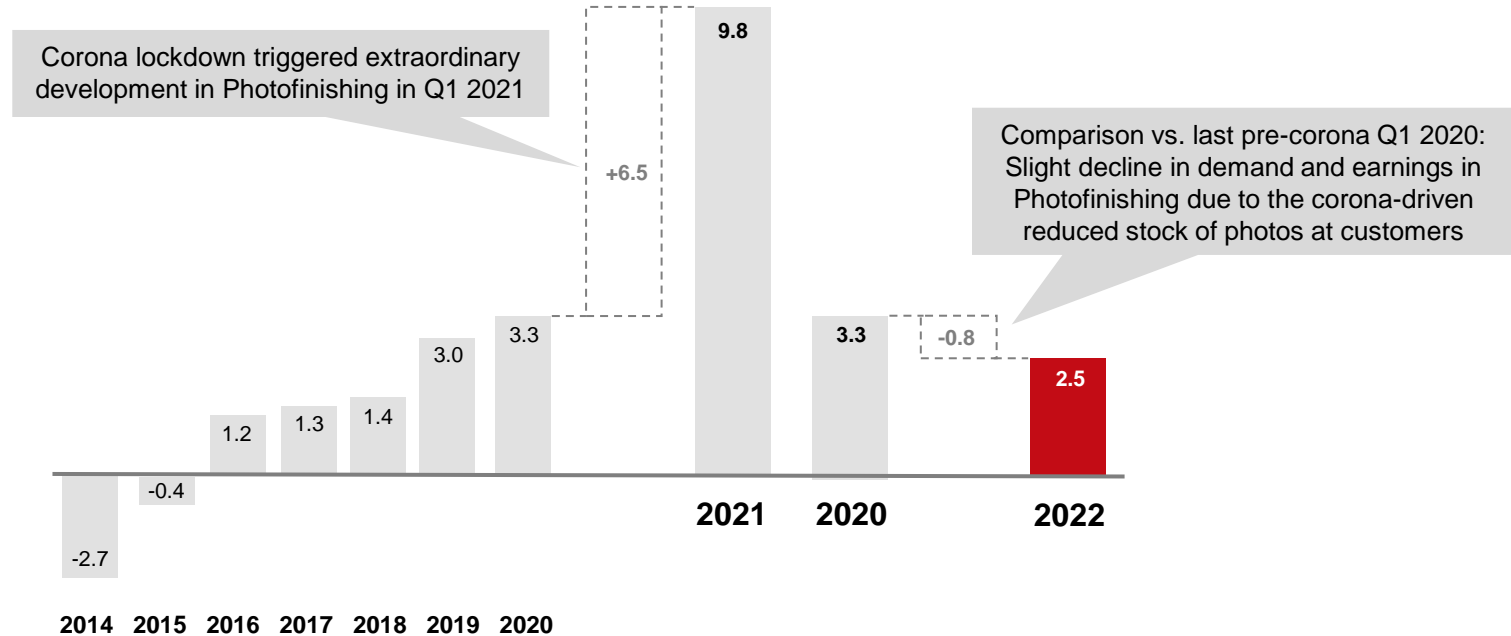
Number in thousands



- > **The classic multi-photo product in particular feels the temporary lack of pictures, which is mainly due to Covid related vacation restrictions (e.g. few to no long-distance trips)**

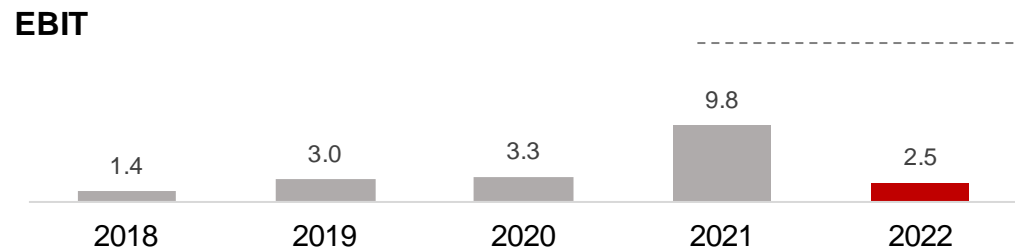
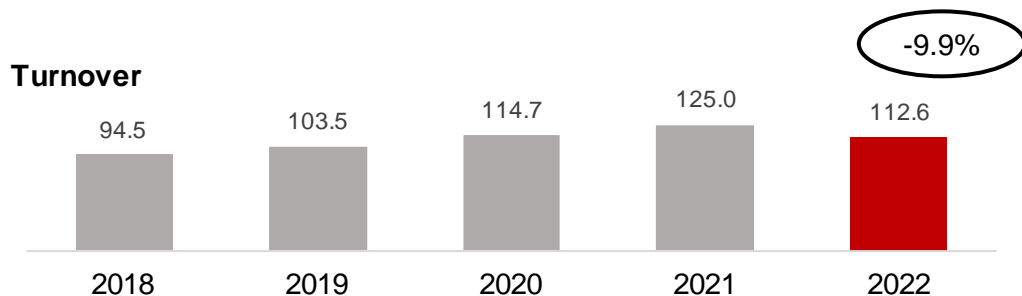
As expected, the previous year's extraordinary development in Photofinishing did not repeat

Photofinishing-EBIT in Q1 in million euros



Business Segment Photofinishing Q1

in Euro millions

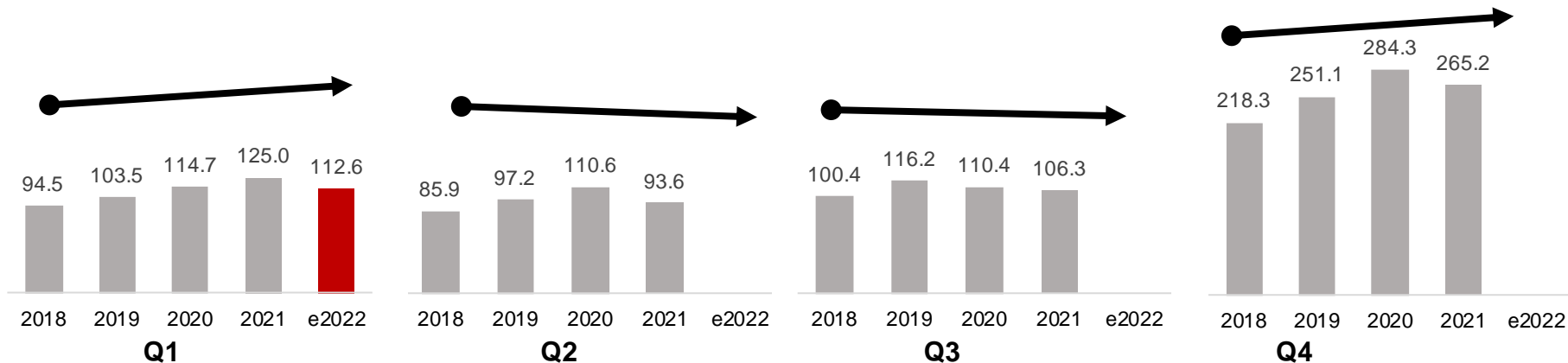


- **The previous year's Q1 benefited strongly from the Corona-related "stay-at-home" effect**
- **As expected, this special development was not repeated in the first quarter of this year; instead: back to normal Q1**

- Expected decline in turnover: The previous year's Q1 benefited particularly strongly from the – so far last – Corona/lockdown-driven "stay-at-home" effect; as expected, this special development was not repeated in view of the current "Corona normalization"
- Two Corona years (including vacation travel restrictions) reduced consumers' stocks of images: Turnover thus also slightly down compared to last pre-Corona Q1 2020
- As expected, EBIT back to pre-Corona levels and below the previous year's result, due to lack of revenue driven scale effects
- Social insurance payments in the form of short-time work payments amounting to only 61 thousand euros were made (Q1 2021: 129 thousand euros short-time work payments)
- Special effects Q1 2022: -0.9 million euros
 - Effects from purchase price allocation of Cheerz: -0.4 million euros
 - Effects from purchase price allocation of WhiteWall: -0.5 million euros
- Special effects Q1 2021: -1.0 million euros
 - Effects from purchase price allocation of Cheerz: -0.5 million euros
 - Effects from purchase price allocation of WhiteWall: -0.5 million euros

Photofinishing-Turnover by Quarter

Seasonal distribution: CEWE 2018 to 2022 – Share in turnover by quarter as a million



Turnover target 2022
approx. 565 to 625 m€*

Q1 target
104.5 to 115.6 m€

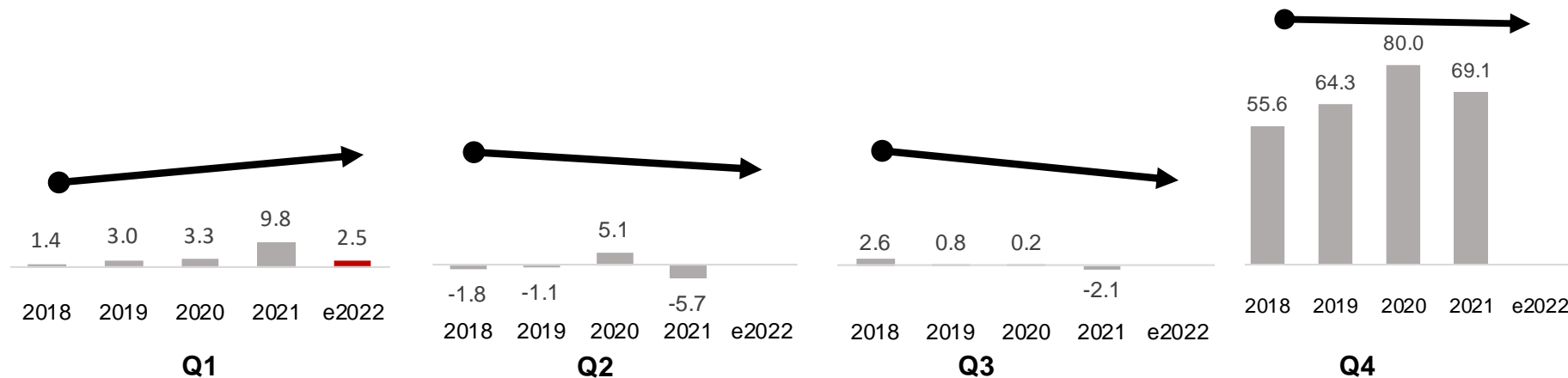
Q1 actual
112.6 m€



> **Photofinishing turnover in Q1 within planned target range as expected**

Photofinishing-EBIT by Quarter

Seasonal distribution: CEWE 2018 to 2022 – EBIT by quarter in Euro million



EBIT target 2022
63 to 78 m€*

Q1 target*
+2.2 to +2.7 m€

Q1 actual
+2.5 m€



> **Photofinishing EBIT in Q1 within planned target range as expected**



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Commercial Online-Print

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Commercial Online-Print



Service focus



Cost leader in industrial online printing



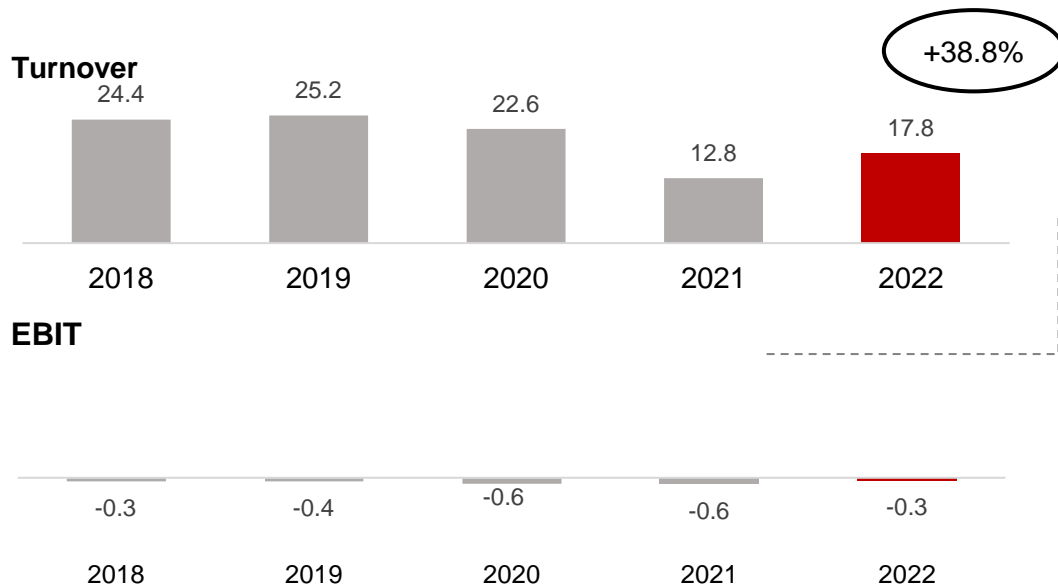
Metropolitan area Berlin



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

Business Segment Commercial Online-Print Q1

in Euro millions



- COP benefits from the ongoing "Corona normalization" and significantly increases in sales; in the previous year's lockdown, COP was still under strong Corona influence with a sharp decline in sales in the B2B printing business

- Top line growth and further tight cost management improve EBIT
- Visible EBIT improvement +0.3 million euros; w/o +0.6 million euros short time work payments (received in previous Q1 2021) EBIT improved even +0.9 million euros

- Special effects Q1 2022: -0.1 million euros
 - Effects from purchase price allocation of Laserline: -0.1 million euros
- Special effects Q1 2021: -0.1 million euros
 - Effects from purchase price allocation of Laserline: -0.1 million euros

➤ **COP benefits from (post-Corona) recovery in B2B printing business and increases turnover, though not “back to normal”, yet**



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Retail

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Retail with focus on photofinishing business



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

Retail with focus on photofinishing business



Retail with focus on photofinishing business



Retail with focus on photofinishing business



Retail with focus on photofinishing business



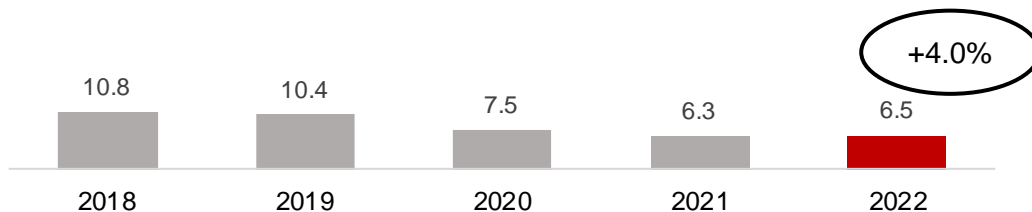
Retail with focus on photofinishing business



Business Segment Retail* Q1

in Euro millions

Turnover *



- Retail increases hardware sales compared to the lockdown-weakened previous year's quarter
- Strategic long term development with focus on photofinishing business continues

EBIT *



- EBIT in Retail improves to -0.3 million euros
- Visible EBIT improvement +0.1 million euros; w/o +0.5 million euros short time work payments (received in previous Q1 2021) EBIT improved even +0.6 million euros
- Special effects Q1 2022: none
- Special effects Q1 2021: none

➤ Retail in sound position with optimized store structure



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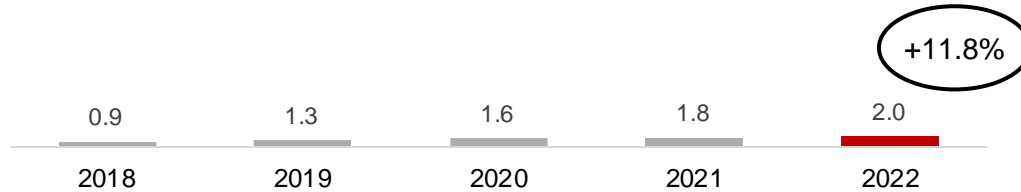
Other

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Business Segment Other Q1

in Euro millions

Turnover



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

- The 2.0 million euros in turnover are exclusively attributable to futalis (Q1 2021: 1.8 million euros)

EBIT



- The segment's EBIT contribution improves mainly due to better income from real estate holdings and also due to the positive futalis result

➤ **Others business segment increases turnover and slightly improves earnings**



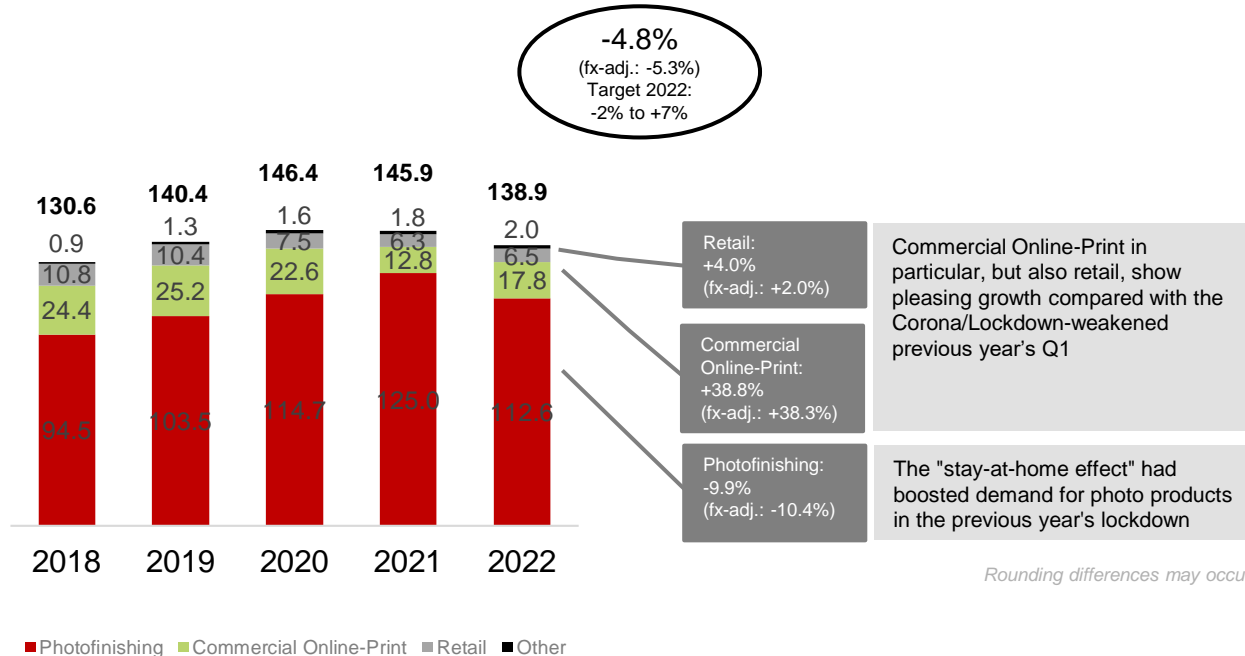
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Group Results

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Turnover Q1

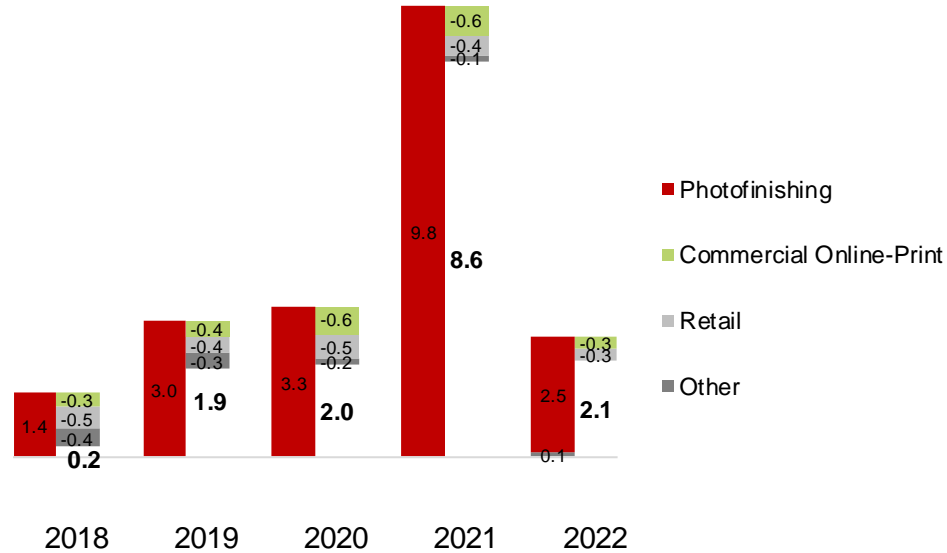
in Euro million



- As expected, last year's Corona-generated boom in photofinishing was not repeated
- COP and RT pick up again compared to previous year's lockdown-weakened business

EBIT Q1

in Euro million



- > As expected, Group EBIT slightly improves vs. pre-Corona level
- > In last year's Q1 2021, EBIT jumped to an outstandingly strong €8.6 million - driven by the one-off lockdown special development in Photofinishing



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Financial Details

Consolidated income statement Q1

Figures in millions of euros	Q1 2021	% Turnover	Q1 2022	% Turnover	Δ as %	Δ m€
Revenues	145.9	100.0%	138.9	100.0%	-4.8%	-7.0
Increase / decrease in finished and unfinished goods	-0.4	-0.2%	0.0	0.0%	89.9%	0.3
Other own work capitalised	0.3	0.2%	0.3	0.2%	2.3%	0.0
Other operating income	5.7	3.9%	6.3	4.6%	11.7%	0.7
Cost of materials	-33.4	-22.9%	-34.7	-25.0%	-4.1%	-1.4
Gross profit	118.1	80.9%	110.7	79.7%	-6.2%	-7.3
Personnel expenses	-47.0	-32.2%	-46.9	-33.8%	0.3%	0.1
Other operating expenses	-49.4	-33.9%	-48.6	-35.0%	1.6%	0.8
EBITDA	21.6	14.8%	15.2	10.9%	-29.7%	-6.4
Amortisation/Depreciation	-13.0	-8.9%	-13.1	-9.4%	-0.7%	-0.1
Earnings before interest, taxes (EBIT)	8.6	5.9%	2.1	1.5%	-75.7%	-6.5
Financial income	0.1	0.0%	0.0	0.0%	-88.9%	0.0
Financial expenses	-0.4	-0.3%	-0.3	-0.2%	13.9%	0.1
Financial result	-0.3	-0.2%	-0.3	-0.2%	1.0%	0.0
Earnings before taxes (EBT)	8.3	5.7%	1.8	1.3%	-78.5%	-6.5

(-) Stay-at-home effect in Q1-2021 makes year-on-year comparison difficult
 (-) Huge growth (+ 38.8 %) in KOD and slight growth in Retail (+ 4.0 %) cannot compensate for Corona-related decline in FF (- 9.9 %)

(+) Slight increase in recharged operating costs due to inflation

(-) Cost of materials ratio increases in line with changed revenue structure
 FF ↓ / KOD ↑ / EH ↑
 (-) General price increases (inflation)

(-) Sales-driven lower costs of distribution
 (+) Cost increases in premises, operating and administrative expenses

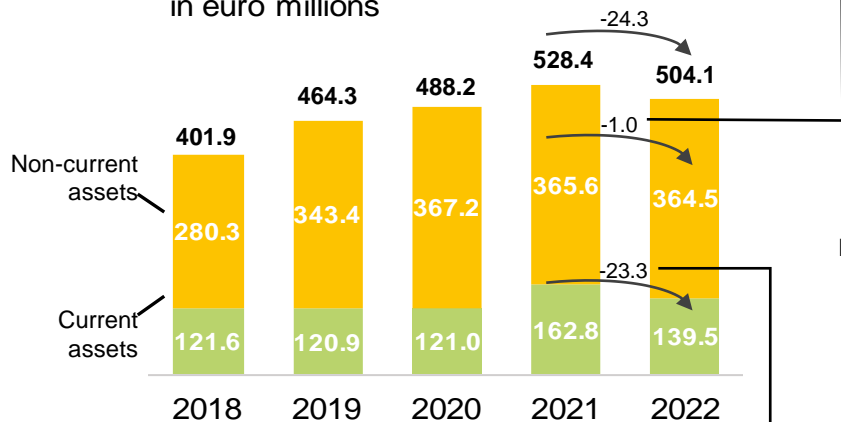
Rounding differences may occur.

Balance Sheet at 31 March

Operating assets - € 1.7 m. (+) Acquisition of a building at the headquarters (€ 8.5 m.), (-) Scheduled amortisation (software, PPA amortisation of brands and customer bases), (-) Sale of property, plant and equipment
Deferred tax assets - € 2.2 m.
Financial assets + € 3.0 m. fair value measurements (+) and disposal of Juniq.de (-)

Assets

in euro millions



Consequence of the end of the Corona driven demand increase

- **Cash** - € 31.8 m.
- **Income tax receivables** + € 10.9 m.: Normalised income tax prepayments
- **Inventories** + € 5.4 m.: Inventory build-up on-site finishing and commercial online printing, inventory reduction in Retail
- **Trade receivables** - € 5.8 m.: Lower business volume

Total comprehensive income

+ € 51.6 m.

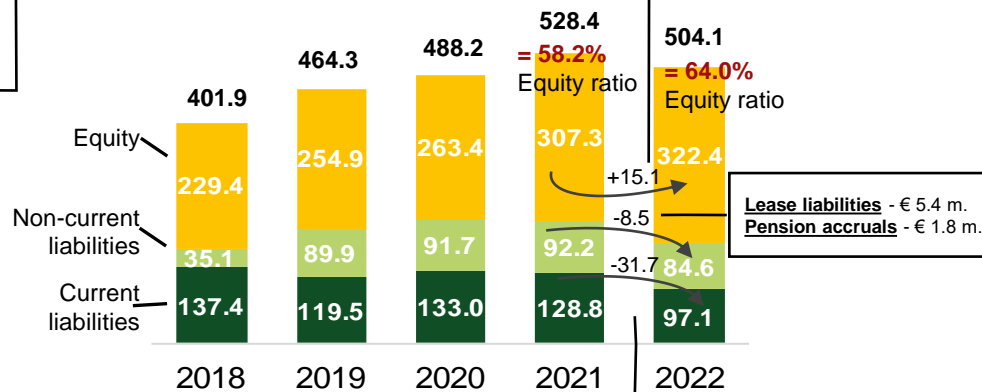
Dividend - € 16.6 m.

Acquisition of treasury shares

- € 20.0 m.

Liabilities

in euro millions



Lease liabilities - € 5.4 m.
Pension accruals - € 1.8 m.

Tax liabilities -€ 17.5 m.: Discharge of tax liabilities relating to the fiscal year 2020

Other current liabilities - € 7.3 m.: Significant higher VAT liabilities in prior year

Trade payables - € 1.7 m.: Lower business volume

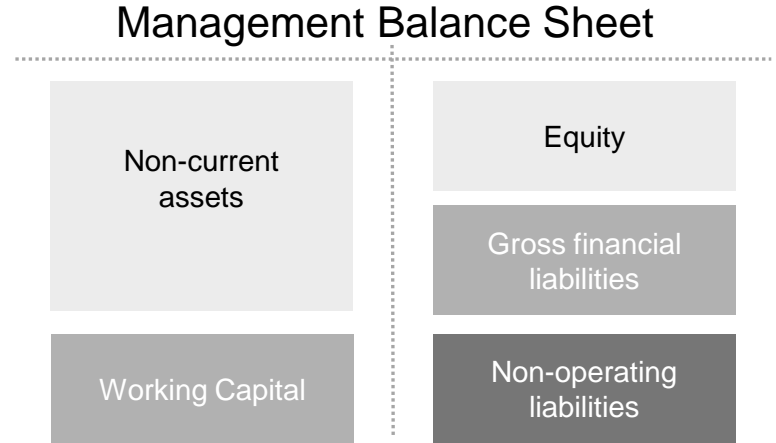
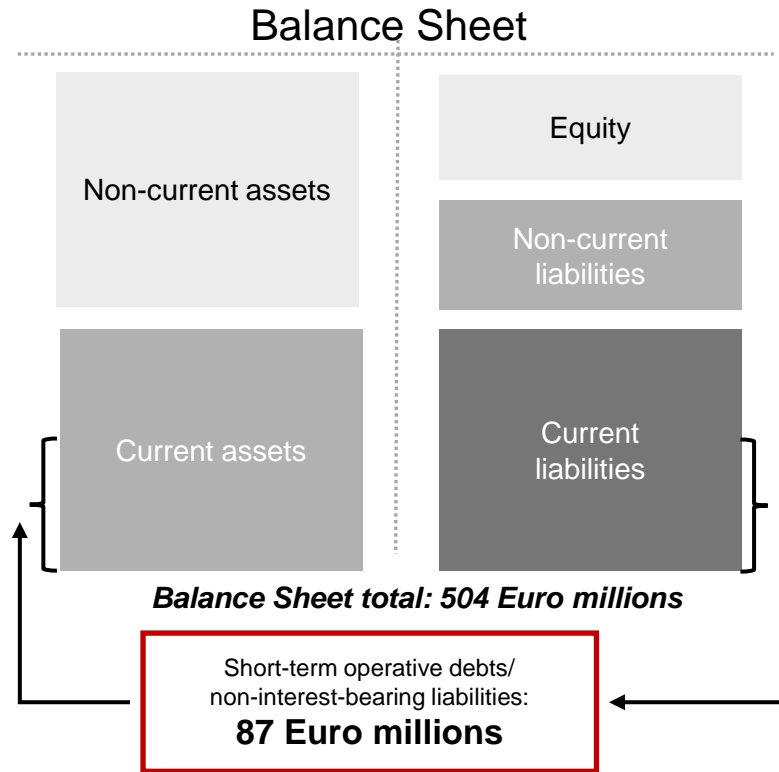
» Mainly end of the coronavirus-related one-off upswing causes total assets to decline by EUR 24.3 million

» Strong Equity 64.0% due to the earnings situation, makes a higher financing contribution

Blue = Corona-related
 Rounding differences may occur.

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From Balance Sheet to Management Balance Sheet



Balance Sheet total: 417 Euro millions

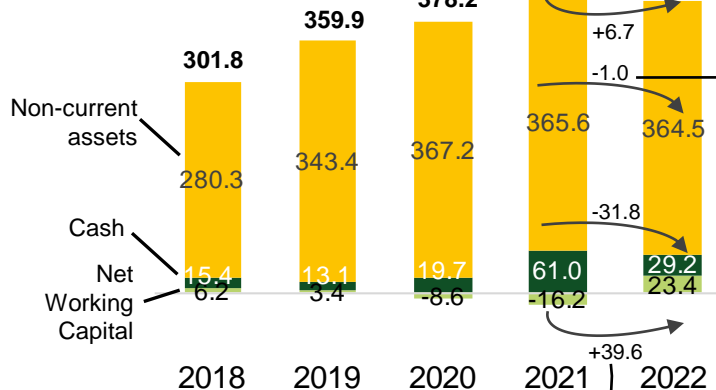
- > The Balance Sheet total is reduced to capital elements "to be paid for" (by way of dividends or interest) in the management balance sheet

Management-Balance Sheet at 31 March

Operating assets - € 1.7 m. (+) Acquisition of an administration building (€ 8.5 m.), (-) Scheduled amortisation (software, PPA amortisation of brands and customer bases), (-) Sale of property, plant and equipment
Deferred tax assets - € 2.2 m.
Financial assets + € 3.0 m. fair value measurement

Total comprehensive income + € 51.6 m.
Dividend - € 16.6 m.
Acquisition of treasury shares - € 20.0 m.

Capital Employed in euro millions



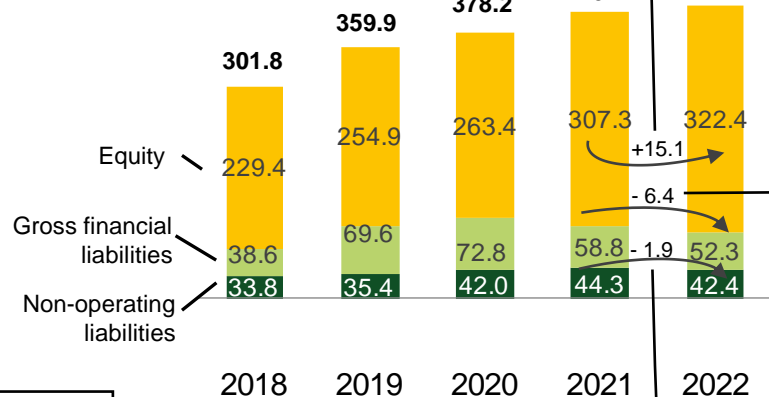
Net operating W/C + € 1.2 m.

- **Inventories** + € 5.4 m.: Inventory build-up OSF and COP, inventory reduction in Retail
- **Trade receivables** - € 5.8 m.: Lower business volume
- **Trade payables** - € 1.7 m.: Lower business volume

Other net W/C + € 38.3 m.

- **Tax position** + € 28.5 m.: Income tax receivables (+ € 11.0 m.), tax liabilities (- € 17.5 m.)
- **Other current liabilities** - € 7.3 m.: Significant higher VAT liabilities in prior year

Capital Invested in Mio. Euro



Pension accruals - € 1.8 m.

Especially lease liabilities - € 5.4 m.

*Blue = Corona-related
Rounding differences may occur.*

» Capital employed increases by EUR 6.7 million due to the increase in net working capital, as a result of fading corona effects

41 » Acquisition of treasury shares and tax payments reduce cash position

Free cash flow Q1

(-) € 8.5 m. lower result (total EBITDA and non-cash effects).

(+) € 12.5 m. lower cash outs from net operating W/C (in the 4th quarter of 2021, the positive effect from cash ins was no longer occurred to the same extent as in the year 2020 and thus led to lower cash outs to retail partners and to suppliers (esp. mailorder providers) in Q1 2022.)

(-) € 4.5 m. Corona-related higher cash outs in other net working capital (higher payments of VAT from Christmas business than in Q1 2021 after end of tax rate reduction) and import VAT effects which had reduced VAT payments in Q1 2021 relating to prior years.

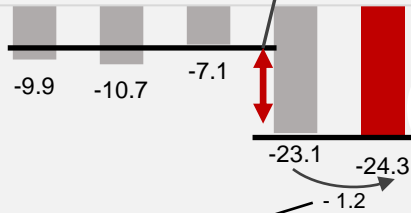
(-) € 0.8 m. higher income tax payments

Higher cash outs in Q1 driven by continuously more successful level of Christmas business:

- VAT (due to more Christmas business turnover)
- Income tax prepayments (due to higher EBT-levels)
- Salary related payments (due to more personnel and higher variable payments)

Cash Flow from operating business
in euro millions

2018 2019 2020 2021 2022



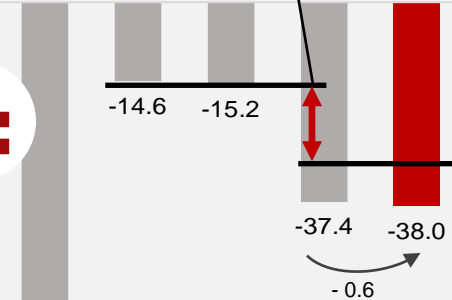
Outflow of funds from investment activities
in euro millions

2018 2019 2020 2021 2022



Free-Cash Flow
in euro millions

2018 2019 2020 2021 2022



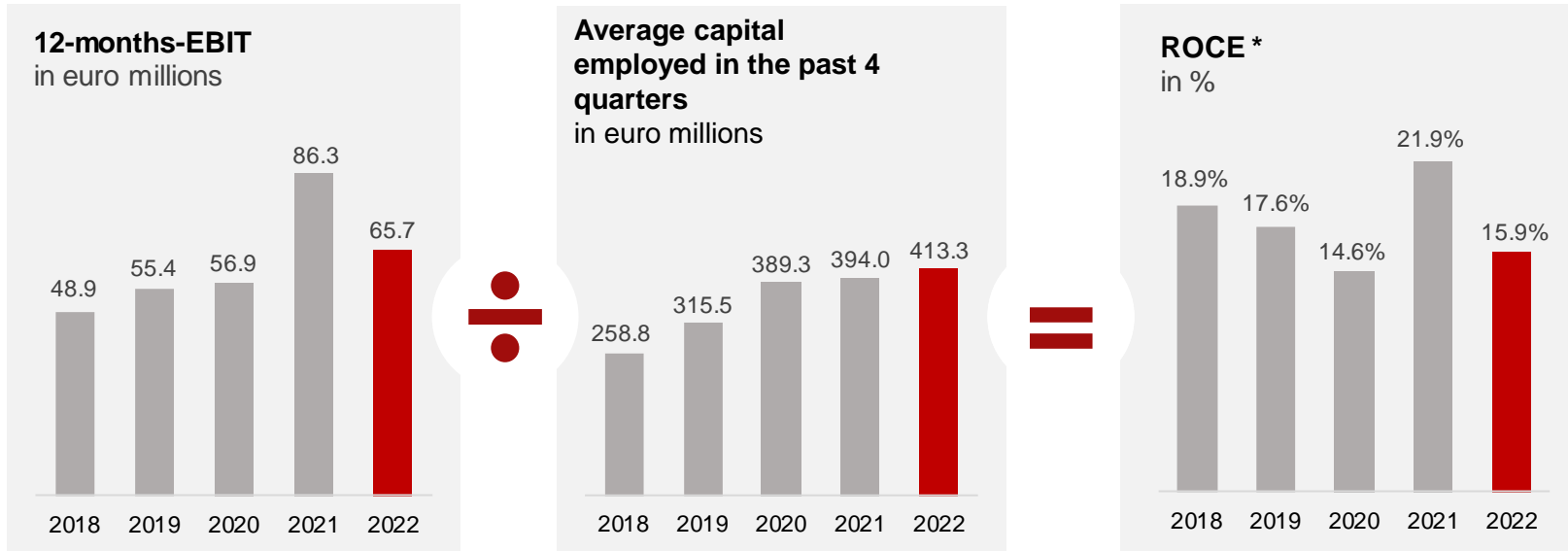
Acquisition of Cheerz and Laserline (-€ 37.5 m.)

2020: Acquisition of remaining Cheerz Shares (€ 9.8 m), 2021: Acquisition of an HQ building (€ 8.5 m.)

Rounding differences may occur.

- » Lower customer payments during the Christmas season (mailorder business) result in lower cash outs to retail partners in Q1 2022
- » Purchase of an additional group HQ building leads to constant investment activities
- » Free cash flow stable at -38.0 million euros and not getting back at 2019 and 2020 levels, as increasingly successful Christmas season of year before drives cash out in Q1

ROCE Q1



➤ **Even after the end of the Corona-driven special development: ROCE of 15.9% higher than 14.6% in last pre-Corona period**

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



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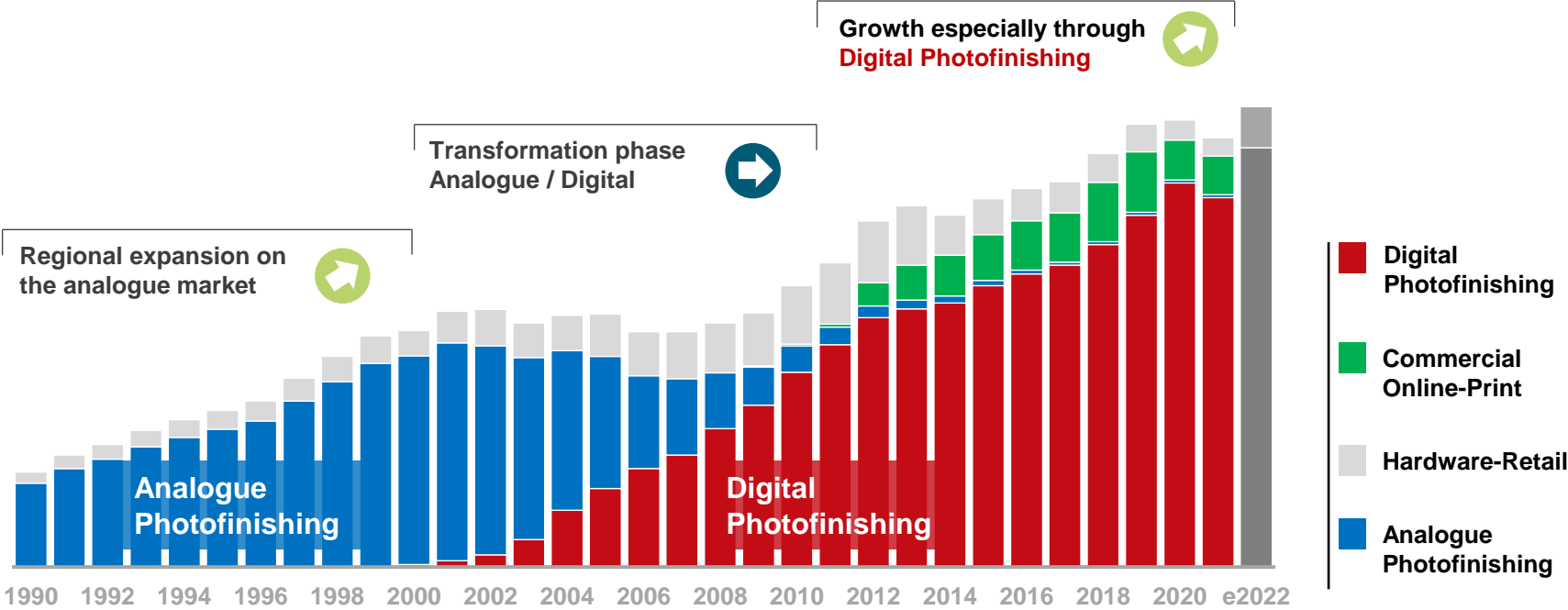
Outlook

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Targets 2022 confirmed with Q1: CEWE on long term growth path

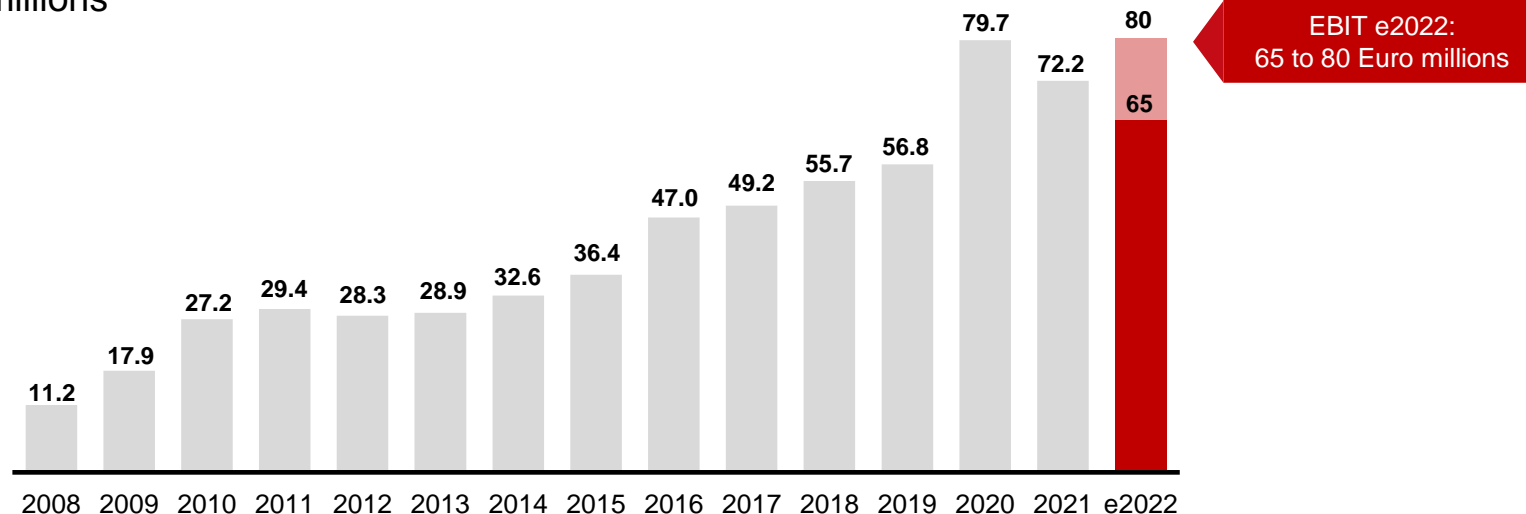
Revenue (CONCEPTUAL)

e2022: 680 to 740
Euro millions



Targets 2022 confirmed with Q1

in Euro millions



- » The range of the 2022 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 2022 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

Targets confirmed with Q1: CEWE Group Targets 2022

Targets		PY 2021	Target 2022	Change
Photos ¹	billion photos	2.18	2.0 to 2.3	-7% to +4%
CEWE PHOTO BOOK	millions	5.65	5.4 to 5.8	-4% to +3%
Operational Investments ²	Euro millions	36.8	60	
Revenue	Euro millions	692.8	680 to 740	-2% to +7%
EBIT	Euro millions	72.2	65 to 80	-10% to +11%
EBT ³	Euro millions	72.7	62 to 77	-15% to +6%
Earnings after tax ⁴	Euro millions	48.9	42 to 52	-14% to +6%
Earnings per share	Euro	6.77	5.89 to 7.32	-13% to +8%

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 2022 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 2022 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

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