

# Results Q3 2015 CEWE Stiftung & Co. KGaA

Analyst Conference Call

Oldenburg  
November 12, 2015



**cewe-print.com**  
Your online print partner



*My*  
**cewe** photobook  
*My Life*

*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 errors might occur.*



**Dr. Olaf Holzkämper**  
*CFO*



**Dr. Rolf Hollander**  
*CEO*

# Agenda

1. New Products and Results
2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)
3. Outlook
4. Q&A

# Highlights Q3 2015

Results		Q3 2014	Q3 2015	Comment
<b>Photofinishing</b>				
<b>Sales Volume</b>	in photo m.	597	557	<ul style="list-style-type: none"> <li>At 6.6% lower than 2014, volume is within the expected range</li> <li>Added-value products drive the increase in turnover: +2.6%</li> <li>In preparation of the seasonal peak, EBIT covers higher costs (e.g. marketing) than previous year</li> </ul>
<b>Turnover</b>	in EUR m.	89.4	91.7	
<b>EBIT</b>		4.1	3.3	
<b>Commercial Online-Print</b>				
<b>Turnover</b>	in EUR m.	16.1	18.7	<ul style="list-style-type: none"> <li>Online-printing turnover on track to achieve 2015 target</li> <li>Despite increase in staff and marketing costs EBIT improved</li> </ul>
<b>EBIT</b>		-0.7	-0.4	
<b>Retail</b>				
<b>Turnover</b>	in EUR m.	16.3	15.1	<ul style="list-style-type: none"> <li>Focus on profitability and photofinishing successful</li> <li>EBIT continues to improve</li> </ul>
<b>EBIT</b>		-0.4	-0.1	
<b>CEWE Group</b>				
<b>Turnover</b>	in EUR m.	121.8	125.5	<ul style="list-style-type: none"> <li>Photofinishing and commercial online printing increase turnover</li> <li>EBIT nearly unchanged in comparison to previous year</li> </ul>
<b>EBIT</b>		3.0	2.9	
<b>Free Cash Flow</b>	in EUR m.	-3.4	-14.9	<ul style="list-style-type: none"> <li>Outflow of funds from investment activities reduce free cash flow</li> </ul>
<b>ROCE</b>	%	14.9	16.1	<ul style="list-style-type: none"> <li>ROCE continues to rise</li> </ul>
<b>Equity ratio</b>	%	52.9	52.5	<ul style="list-style-type: none"> <li>High and stable equity ratio</li> </ul>

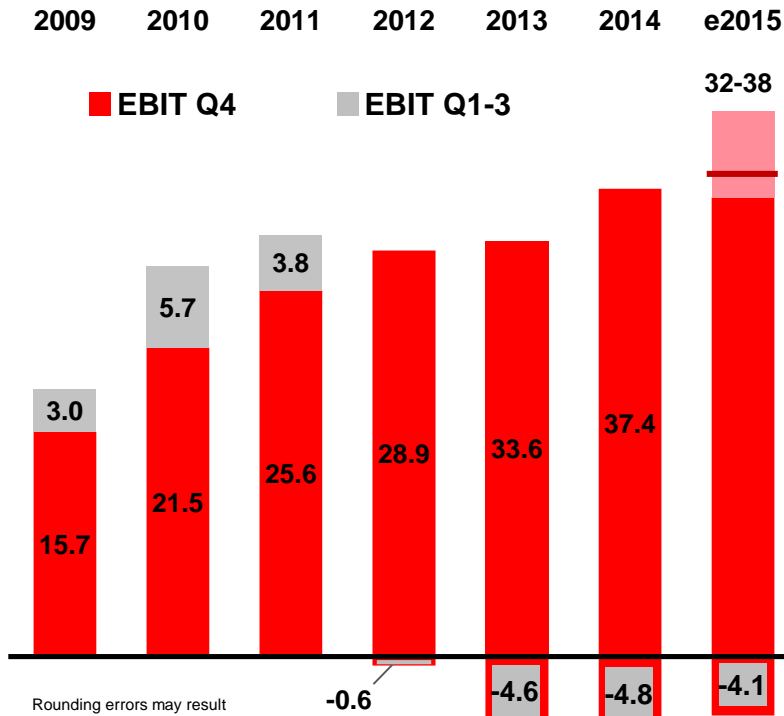
## ► Q3 confirms the annual targets for 2015

Rounding errors may result

# EBIT contribution of Q1-3 and Q4

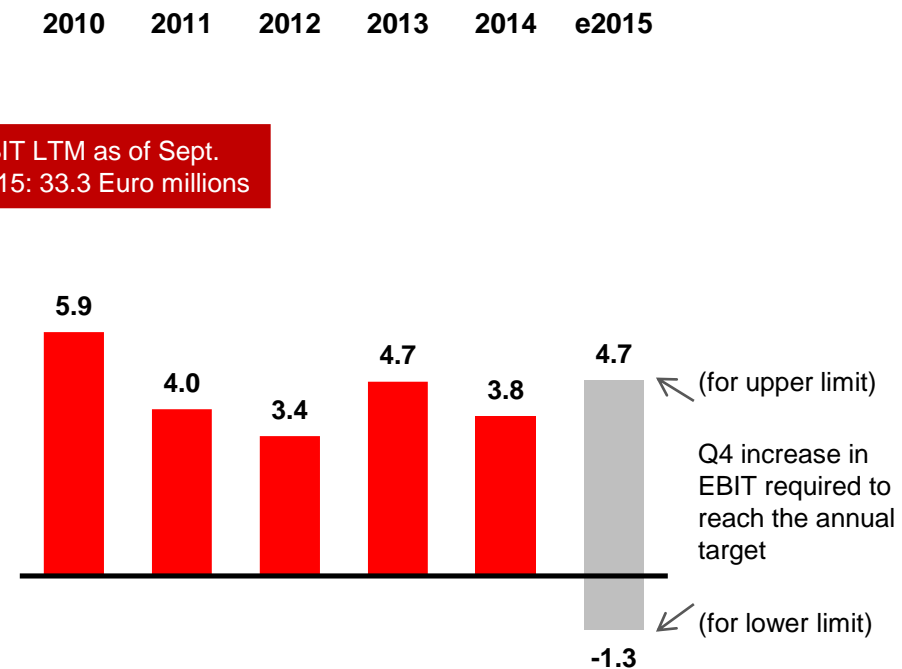
## Distribution of profits Q1-3 vs. Q4

Group-EBIT in Euro millions



## EBIT-growth Q4

in Euro millions



- ▶ The EBIT-corridor floor target (32 m€) will be reached even if earnings in Q4 decreased by 1.3 m€ compared to previous year's Q4 EBIT
- ▶ The ceiling of the target corridor (38 m€) will be reached with an increase in EBIT of 4.7 m€ compared to previous year's Q4 EBIT

# Agenda

## 1. New Products and Results

### - Photofinishing

- Commercial Online-Print

- Retail

- Group

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# Awards



*“Stiftung Warentest (German consumer foundation): CEWE PHOTO BOOK 2015 test winner – quality to delight”*

*“CEWE has the best photo books. The only producer to be awarded a "Good" for digital printing and for the premium photo book is CEWE. No other producer was judged better.”*

Source: German consumer foundation (Stiftung Warentest)



# Awards



*“From a reader point of view, CEWE has the best app and the best range of online products.”*

Source: connect magazine

# CEWE PHOTO BOOK Compact Panorama and Square Premium Matt

Formats: 19 x 15 cm (compact panorama) / 21 x 21 cm (square)



# Increase in Page Packages

## Standard digital print

- Increase in the 8 page packages to up to 178 pages (currently: 154)
- For large formats – XXL panorama, hard cover

## Matt and glossy photo paper

- Increase in the 8 page packages to up to 114 pages (currently: 98)
- For large, large panorama and XL formats



# Photos on Wood

- Material: Pinewood
- Dimensions: 20x20 cm – 80x80 cm





# XXL Panorama Wall Calendar

- Digital print on standard calendar paper
- Dimensions: 62 x 32 cm

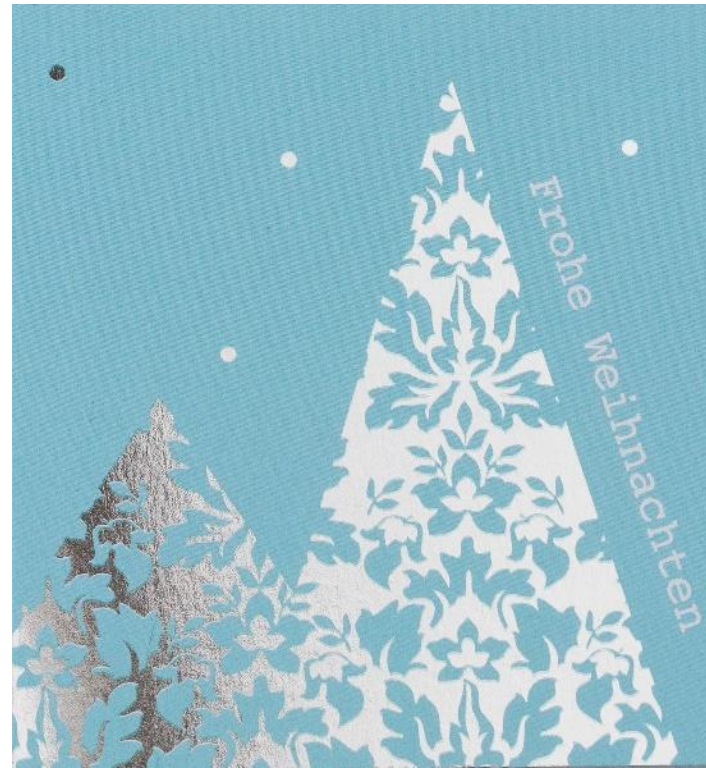


11 2016

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
KW 44						KW 45						KW 46						KW 47						KW 48					

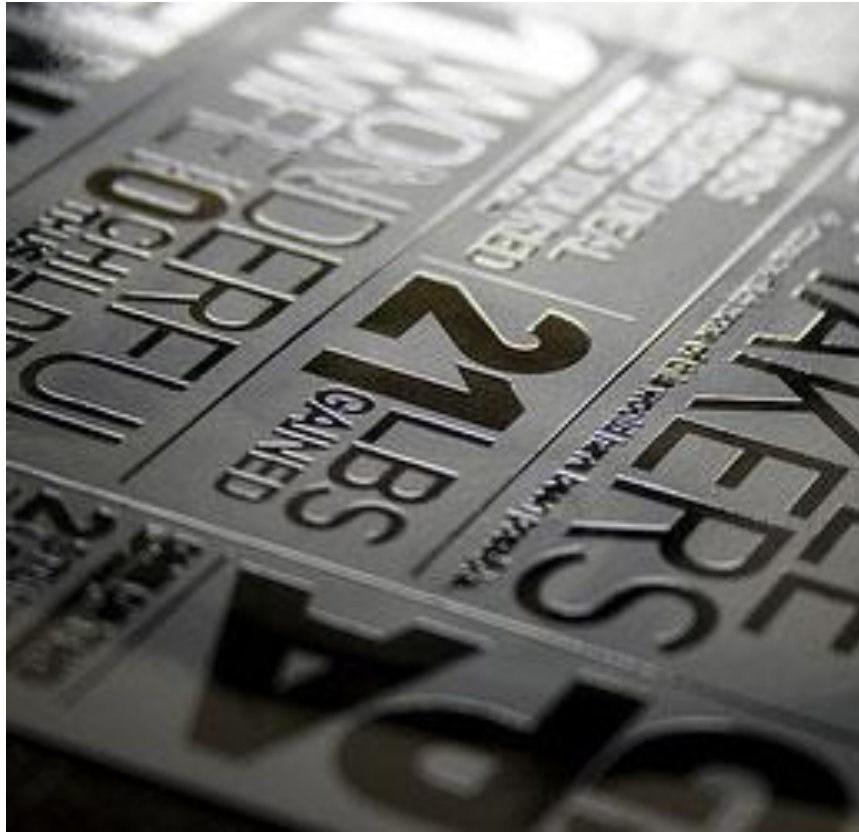
# Refining CEWE CARDS - Gold and Silver Print

- Gold and silver to refine design elements and texts
- For classic folded cards + sets of 10 XL cards



## Refining CEWE CARDS – Effect Varnish / Partial Varnishing

- Tangible effects with partial varnishing
- For classic folded cards + sets of 10 XL cards







**250 new designs**

Einschulung

*Weihnachten*

GEBURTSTAG

*Danke*

Einladung

*Hochzeit*

Ostern

**BABY**

Jubiläum

Kindergeburtstag

**Taufe**

KOMMUNION UND KONFIRMATION



## New CEWE PHOTO BOOK Design Elements

- More than 500 new clipart features, mounts, frames and backgrounds
- Focus on significant, event-related elements



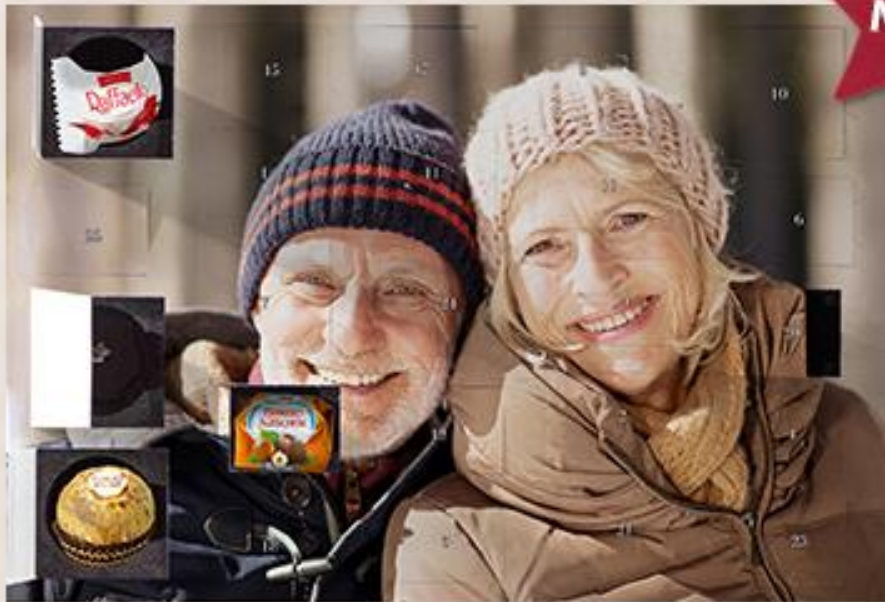
# Ravensburger Puzzle from a Personal Photo

- Introduction of 500- and 1,000-piece puzzles
- Integration of a personal motif for puzzles and their packaging



# Chocolate Advent Calendar with Ferrero Chocolate and a Personal Photo

Premium Adventskalender mit Ferrero® Pralinen  
Für Ihre Liebsten nur das Beste



NEU

- Hochwertiger Adventskalender mit Ihrem persönlichen Foto
- 24 Türchen gefüllt mit Raffaello, Ferrero® Küsschen und Ferrero® Rocher
- Maße: 20,9 x 30,5 x 3,5 cm

ab 24,99 €\*





# Chocolate Advent Calendar with Ferrero Chocolate and a Personal Photo

Schoko-Adventskalender mit  
Produkten von **Kinder.**  
Eine besondere Überraschung für Groß und Klein

**NEU**



- Hochwertiger Adventskalender mit Ihrem persönlichen Foto
- 24 Türchen mit je einer Leckerei von Kinder Friends Schokolade

**Kinder Schoko-Bons**   **Kinder country mini**   **Kinder bueno mini**   **Kinder Riegel mini**

ab 17,99 €\*

FERRERO

# Photo Advent Calendar

- 25 different photos
- Large photo on the front
- Photo behind each little door



# Magnetic Collage

- Framed collage with 9 magnetic photos
- Photos can be exchanged and reordered



# CEWE PHOTOBOOK: New TV Christmas campaign

- with authentic customer opinions
- integrated communication

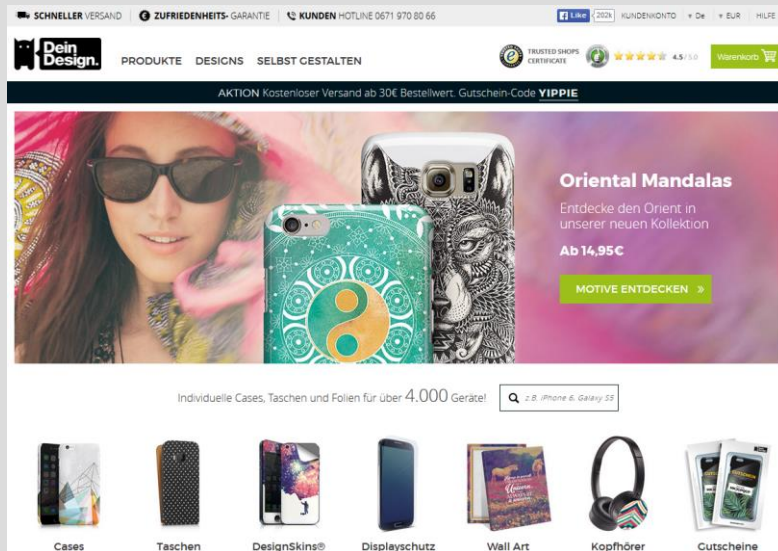


▶ **Multi-channel Christmas campaign starts with authentic customer opinions**



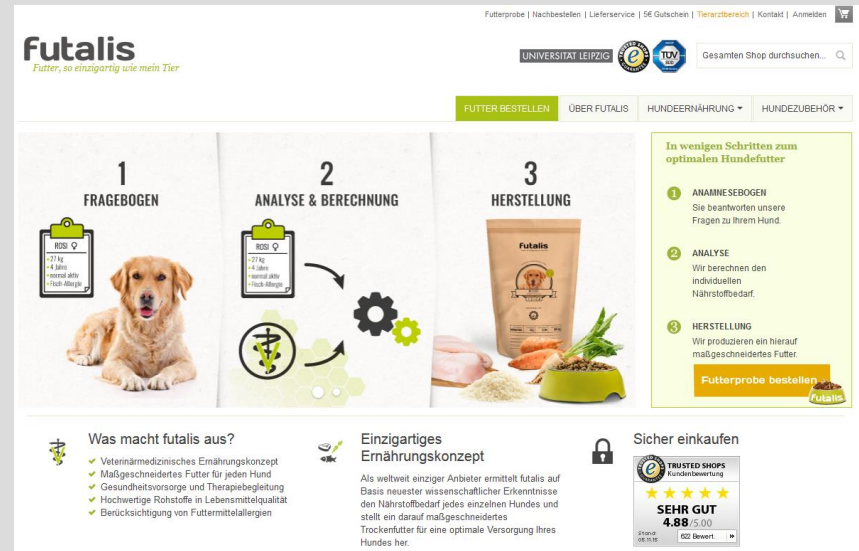
# CEWE takes over majority interest of two smaller companies

**DeinDesign** produces and markets mainly customisable smart phone cases and films for personalising many electronic appliances on its website [www.deindesign.de](http://www.deindesign.de)



▶ **Well-matched: "DeinDesign" rounds off CEWE photofinishing portfolio**

Start-up **futalis** produces and markets online at [www.futalis.de](http://www.futalis.de) - premium-brand dog food, highly individual and adapted to the special needs of animals from a veterinary point of view.



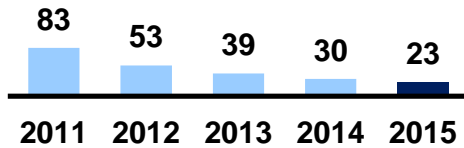
▶ **Well-matched to CEWE: online business model, personalised, high-quality products, considerable customer benefits, premium brand**



# Photos Q3 2015

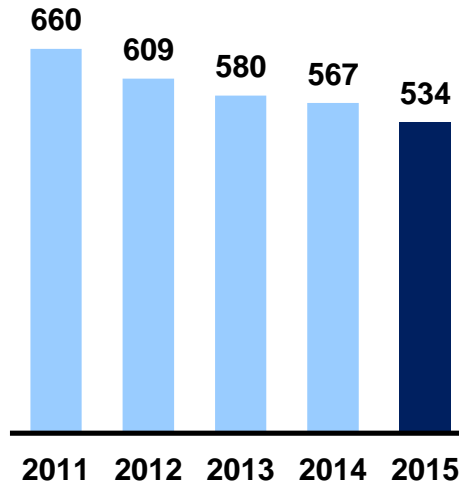
## Photos from films in millions

**-21.2%**



## Digital photos in millions

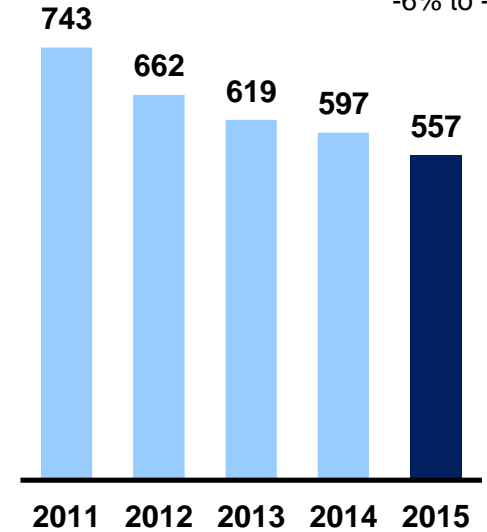
**-5.9%**



## Photos total in millions

**-6.6%**

Target 2015:  
-6% to -3%

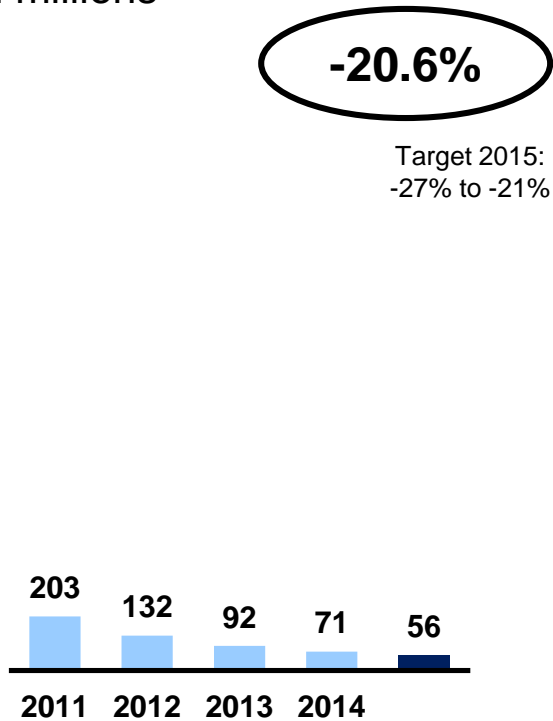


▶ **Q3 volumes developing as anticipated**

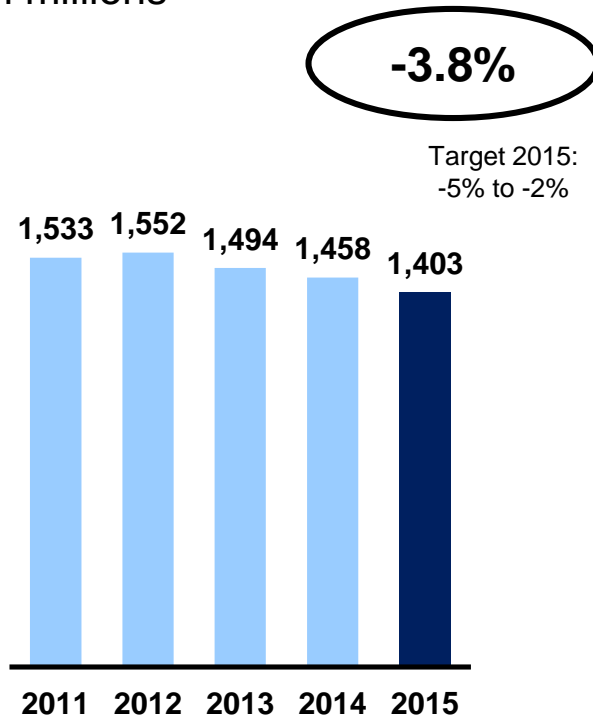
Rounding differences may occur

# Photos Q1-3 2015

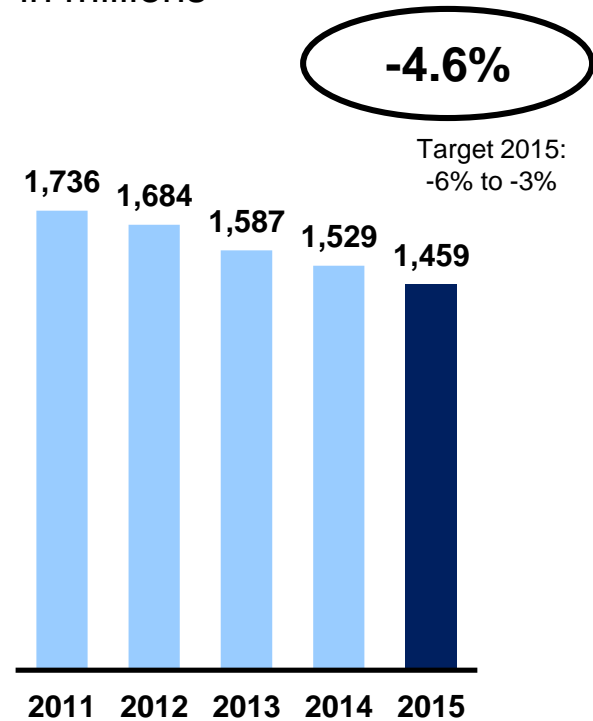
## Photos from films in millions



## Digital photos in millions



## Photos total in millions

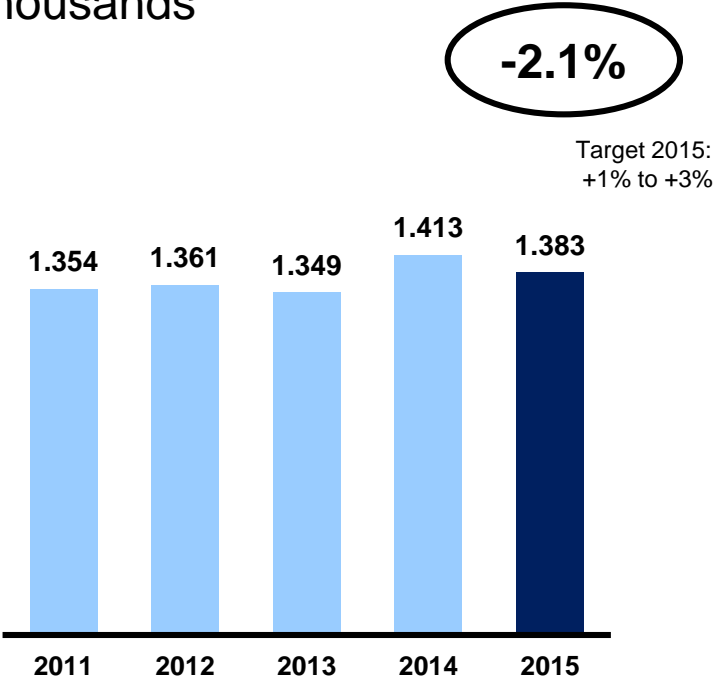


► Q1-3 volumes developing as anticipated

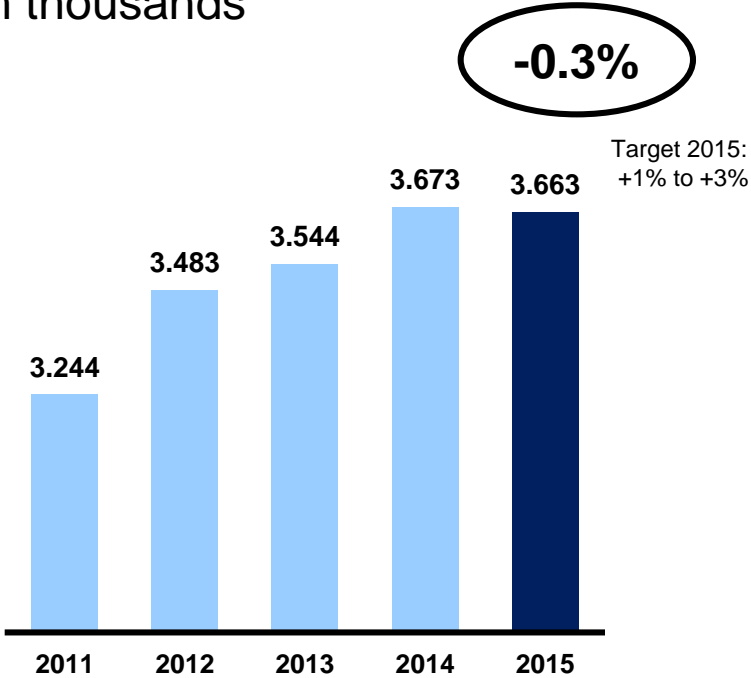
Rounding differences may occur

# CEWE PHOTOBOOK

## Number of CEWE PHOTOBOOKS Q3 in thousands



## Number of CEWE PHOTOBOOKS Q1-3 in thousands



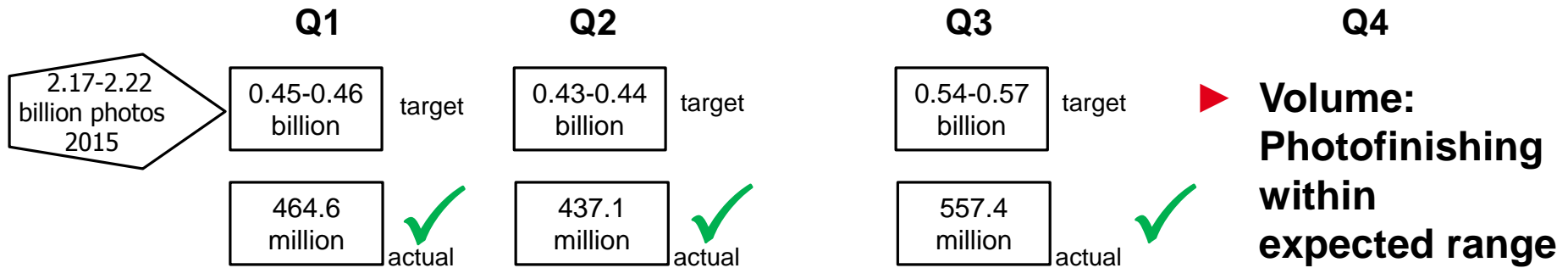
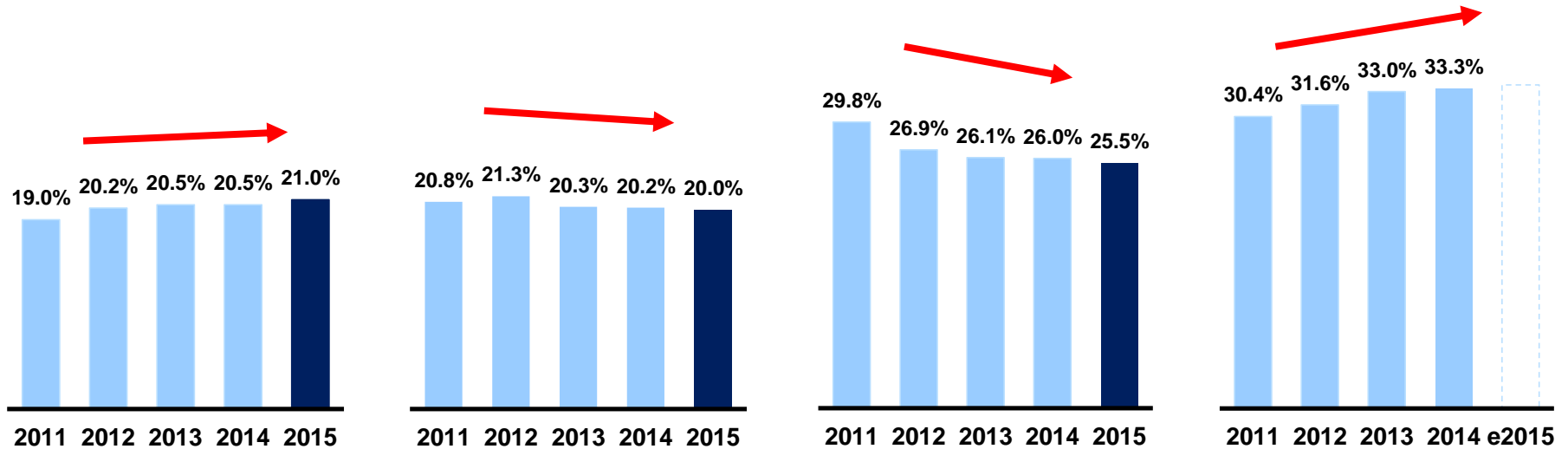
▶ CEWE PHOTOBOOK: No increase in volume but sales increase by more than 3%

Rounding differences may occur

# Photos Total by Quarter

## Saisonal distribution: CEWE 2011 to 2015

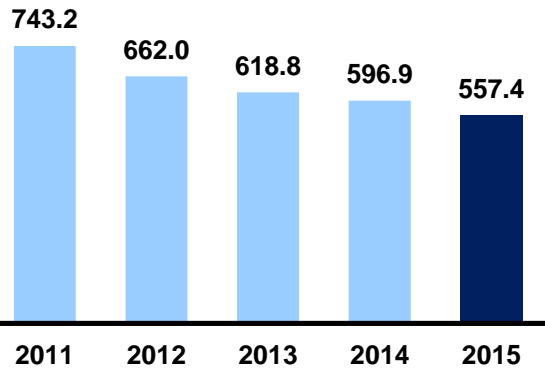
Total share of photos per quarter as a percentage



# Value of Photos Q3 2015

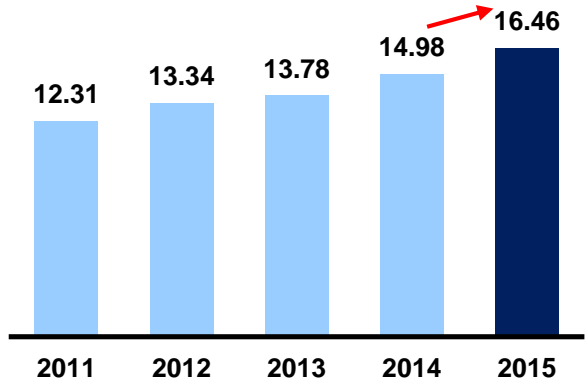
**Total prints**  
in millions

-6.6%



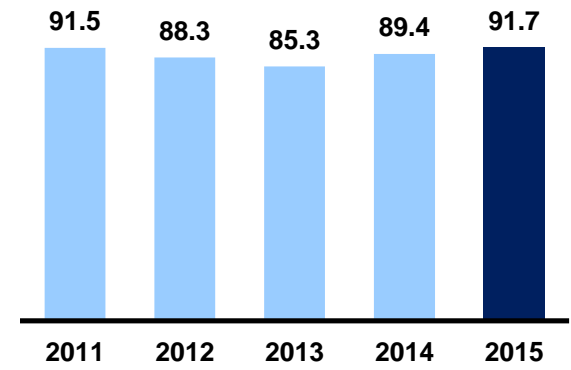
**Value per photo**  
Turnover/photo [Euro cent/photo]

+9.8%



**Turnover Photofinishing Q3\***  
in Euro millions

+2.6%



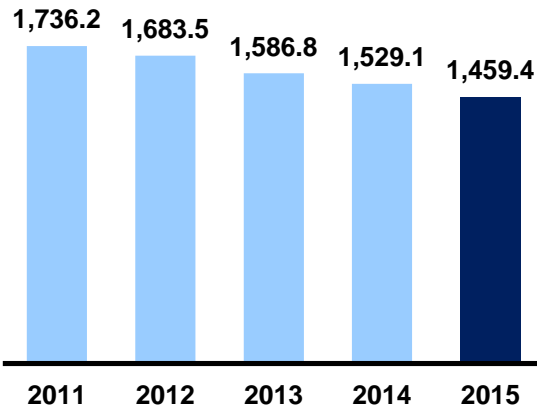
► **Continuous increase of turnover per photo in Q3 driven by value added-products**

\*turnover since 2013 adjusted  
Rounding differences may occur

# Value of Photos Q1-3 2015

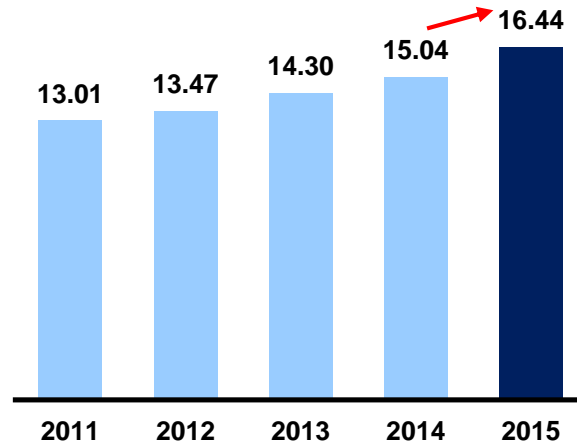
**Total prints**  
in millions

-4.6%



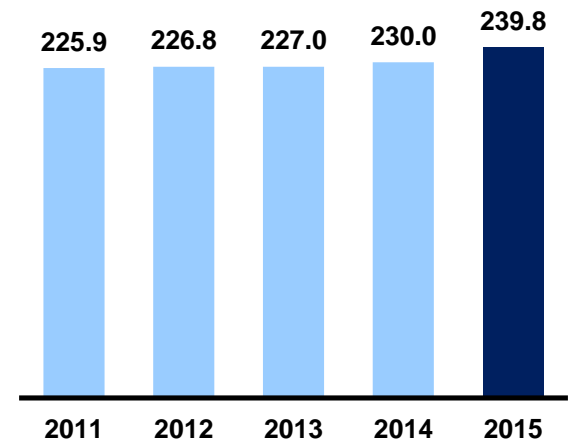
**Value per photo**  
Turnover/photo [Euro cent/photo]

+9.3%



**Turnover Photofinishing Q1-3\***  
in Euro millions

+4.3%



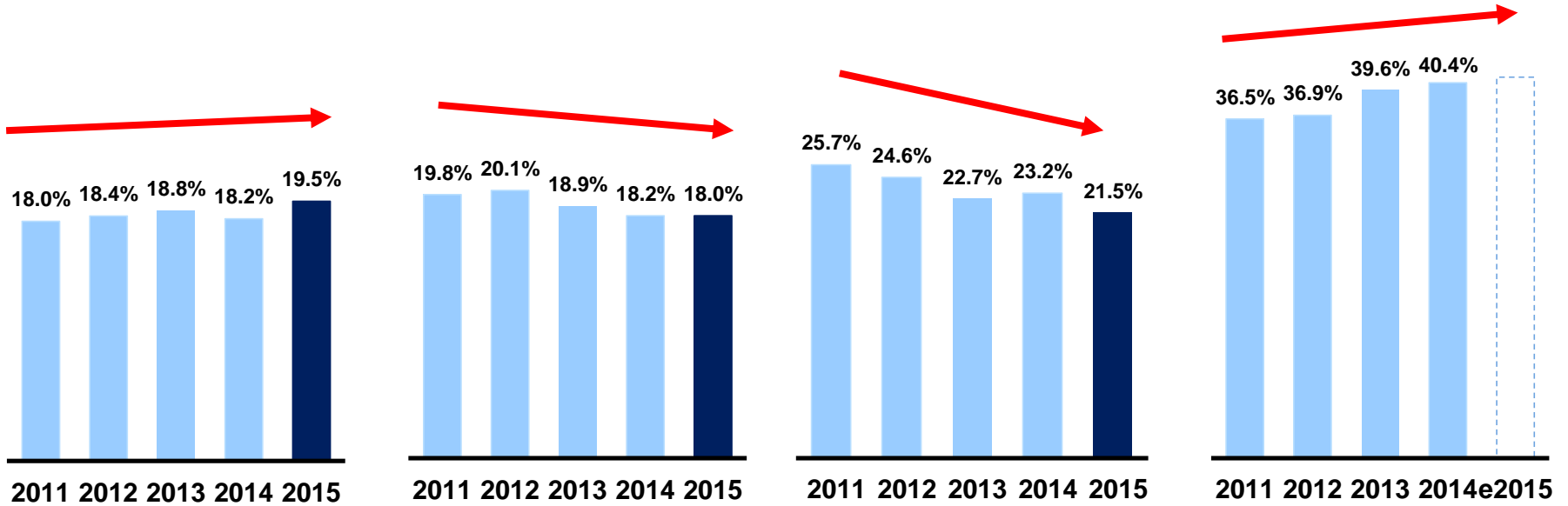
- ▶ **Continuous increase of turnover per photo in Q1-3 driven by value added-products**

\*turnover since 2013 adjusted  
Rounding differences may occur

# Shares in Turnover by Quarter - Photofinishing

## Seasonal distribution: CEWE 2011 to 2015

Share in turnover by quarter as a percentage



Approx.  
386-391€\*  
turnover  
target 2015

Quarter	Target Range (Euro mill.)	Actual (Euro mill.)
Q1	75.3 – 76.2	75.5
Q2	69.5 – 70.4	72.6
Q3	83.0 – 84.1	91.7

▶ **Turnover:  
Photofinishing  
above expected  
range**

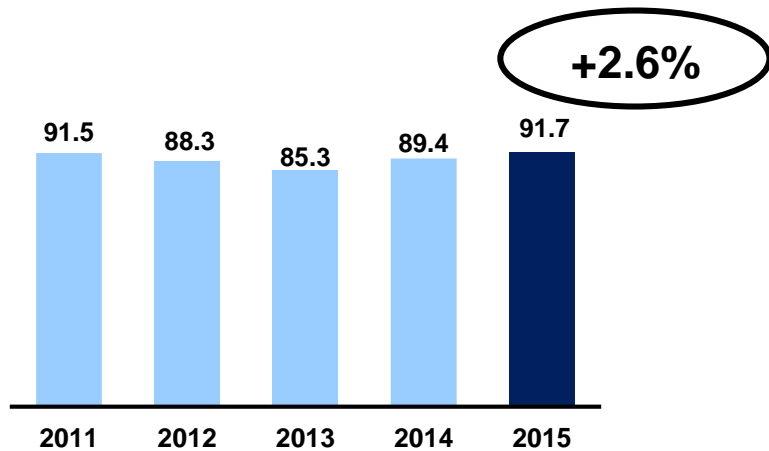
\* Photofinishing turnover approx. on previous year's level (2014: 386,0 Euro mill.)

Rounding differences may occur

# Photofinishing Segment in Q3

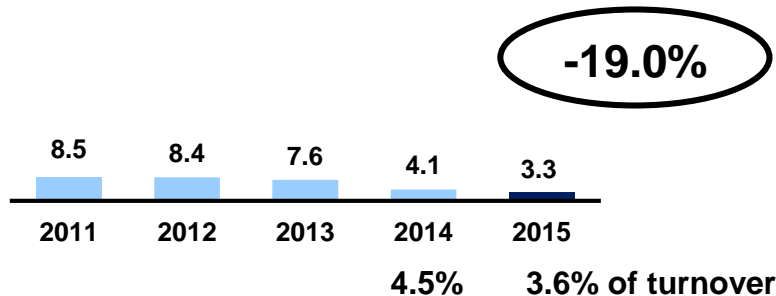
in Euro millions

Turnover



- After two positive first quarters, Q3 2015 sees sales continuing to rise: +2.6%
- Added-value products are sales drivers

EBIT



EBIT has increased costs for building up business, extraordinary incomes for the previous year and initial effects of consolidation:

- Increased costs for building up business: More marketing (in spite of photokina costs in the previous year), higher staff costs, higher depreciation
- Initial consolidations: DeinDesign and futalis jointly with negative contribution to EBIT

Rounding differences may occur

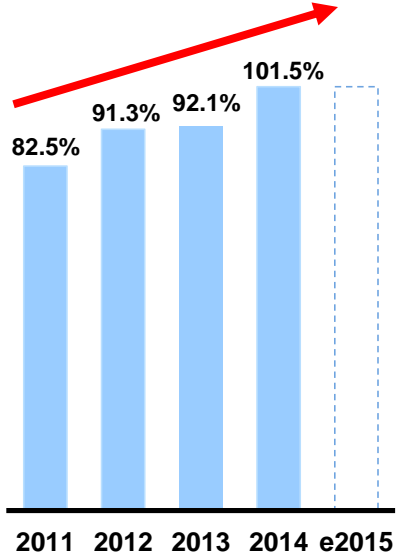
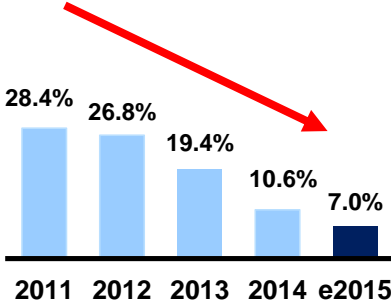
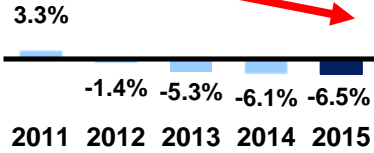
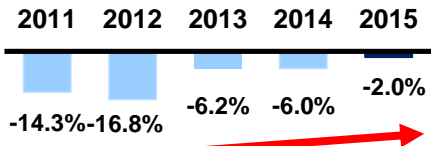
► Higher costs for building up business in current quarter and effects of initial consolidation reason for the earnings delta against previous year



# EBIT before Restructuring by Quarter – Photofinishing

## Seasonal distribution: CEWE 2011 to 2015

EBIT share by quarter as a percentage



35.5-41.5 Euro mill.\* EBIT-target 2015 Photofinishing

EBIT (incl. other tax)

	Q1	Q2	Q3	Q4
target	-0.7 – -0.80 Euro mill.	-2.3 – -2.7 Euro mill.	+2.5 – +2.9 Euro mill.	
actual	-0.6 Euro mill. ✓	-2.5 Euro mill. ✓	+3.3 Euro mill. ✓	

▶ **EBIT: Photofinishing slightly above expected range**

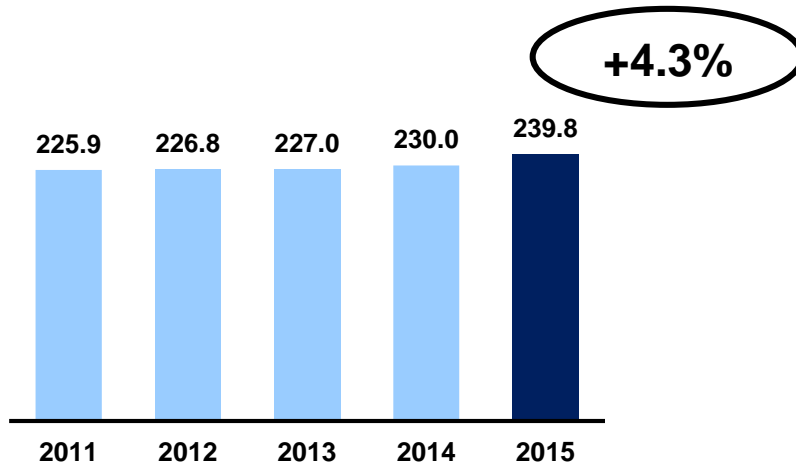
\* 32.0-38.0 Euro mill. group EBIT-target less planned retail (-2.0 Euro mill.) and online printing EBIT (-1.5 Euro mill.)

EBIT 2011 – 2013: EBIT adjusted to other tax  
Rounding errors may occur

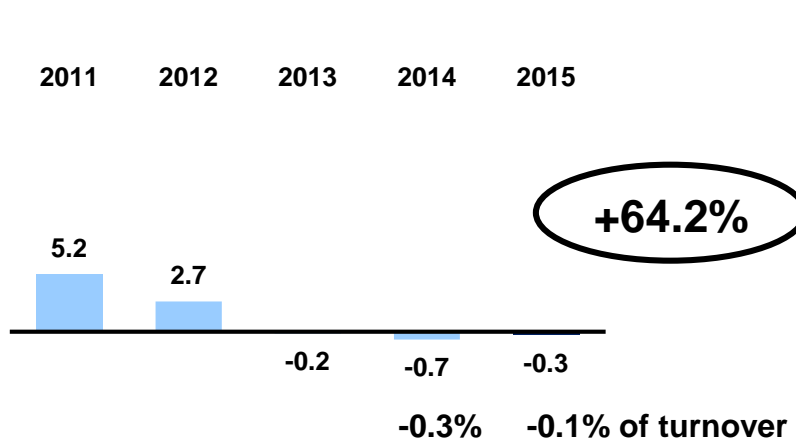
# Photofinishing Segment in Q1-3

in Euro millions

Turnover



EBIT



Rounding differences may occur

- Both H1 and Q3 increase in turnover in comparison to the previous year: Total Q1-3 2015 +4.3%
- Added value products drive increase: CEWE PHOTO BOOK, CEWE CALENDAR, CEWE CARDS, CEWE WALL PICTURES
- 2015 EBIT slightly improved over the previous year in spite of increased costs for building up business in preparation of continued growth in the Christmas quarter
- Operative EBIT before restructuring (in the first quarter of 2015 closure costs for a call centre in Dresden were incurred in an amount of 0.4 m. euros), even as much as 0.9 m. euros better than in the previous year: +0.2 million euros (Q1-3 2014: -0.7 million euros)

▶ Total earnings slightly better than in the previous year

# Agenda

## 1. New Products and Results

- Photofinishing

**- Commercial Online-Print**

- Retail

- Group

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3. Outlook

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# CEWE's Commercial Online-Print activities in Europe

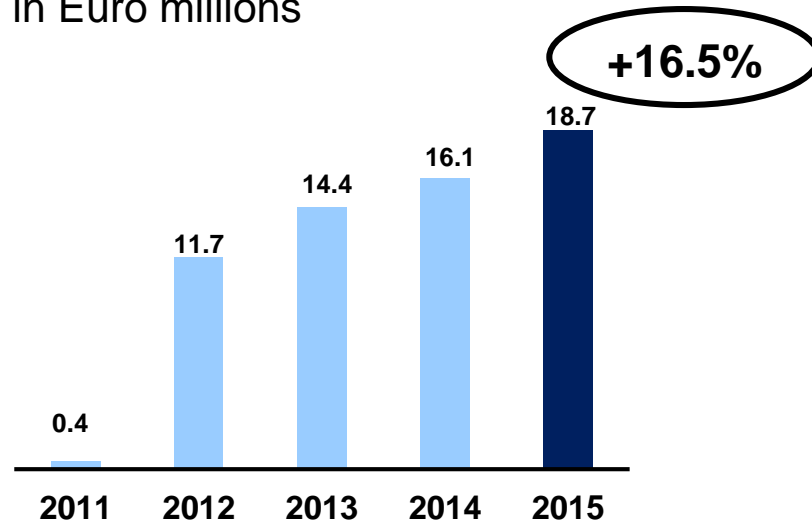


► **CEWE operates with webshops in 10 different countries**

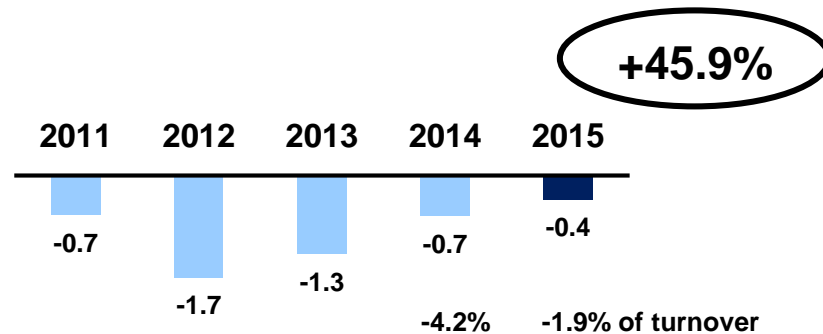
# Commercial Online-Print Segment in Q3

in Euro millions

Turnover



EBIT



Rounding differences might occur

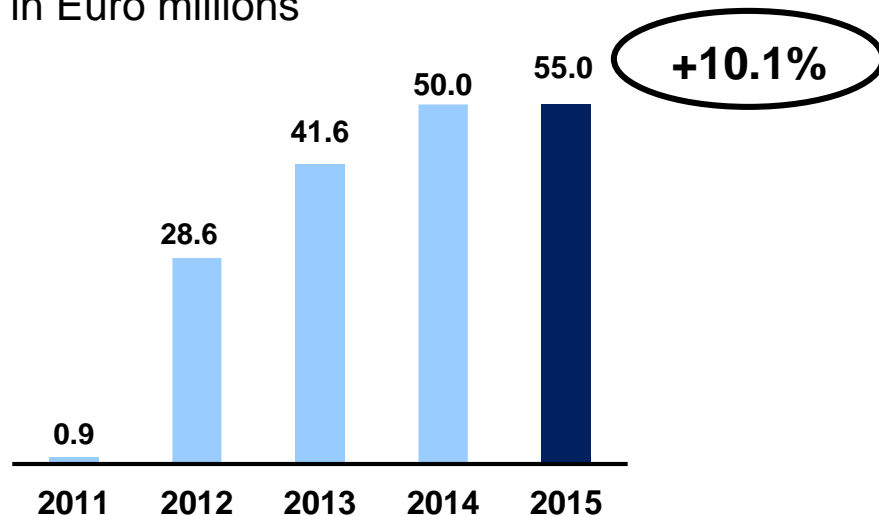
- More dynamic growth in Q3 than in H1 2015
- EBIT better than in the previous year in spite of increased staff costs and a slight rise in delivery costs (due to increase in sales outside Germany): -0.4 million euros after -0.7 million euros in the third quarter of the previous year
- EBIT also absorbs 0.5 m. euros in non-operative depreciation acc. to IFRS resulting from the purchase price allocation of the Saxoprint acquisition (also for the customer base and brand; to be accounted for since 2012, elimination at the end of 2016/2017)

- ▶ **Commercial Online-Print segment continues to increase turnover**
- ▶ **CEWE PRINT start-up currently still giving rise to initial costs, which have, however, been steadily reduced**

# Commercial Online-Print Segment in Q1-3

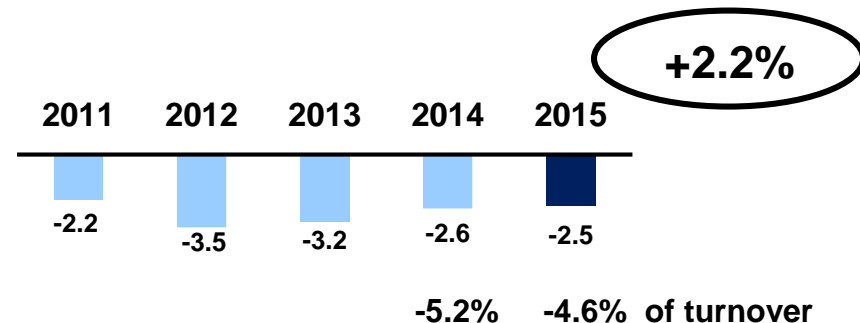
in Euro millions

Turnover



- Online printing with increased growth rate in Q1-3 2015: +10.1% (H1: 7.1%)

EBIT



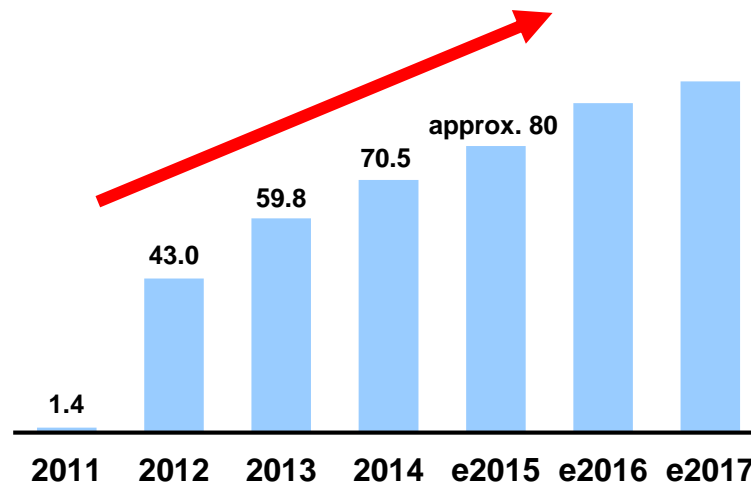
- EBIT slightly improved in spite of increase in staff costs, higher marketing expenses and increase in delivery costs (due to increase in sales outside Germany): -2.5 million euros after -2.6 million euros in the same period of the previous year
- EBIT also absorbs 1.7 million euros in non-operative depreciation acc. to IFRS resulting from the purchase price allocation of the Saxoprint acquisition (also for the customer base and brand; to be accounted for since 2012, elimination at the end of 2016/2017)

Rounding differences might occur

- ▶ Commercial Online-Print segment continues to increase turnover
- ▶ CEWE PRINT start-up still currently causing more initial losses

# Growth outlook CEWE Commercial Online-Print

Revenue (in Euro millions)



- ▶ Commercial Online-Print on track to achieve annual targets

# Agenda

## 1. New Products and Results

- Photofinishing

- Commercial Online-Print

**- Retail**

- Group

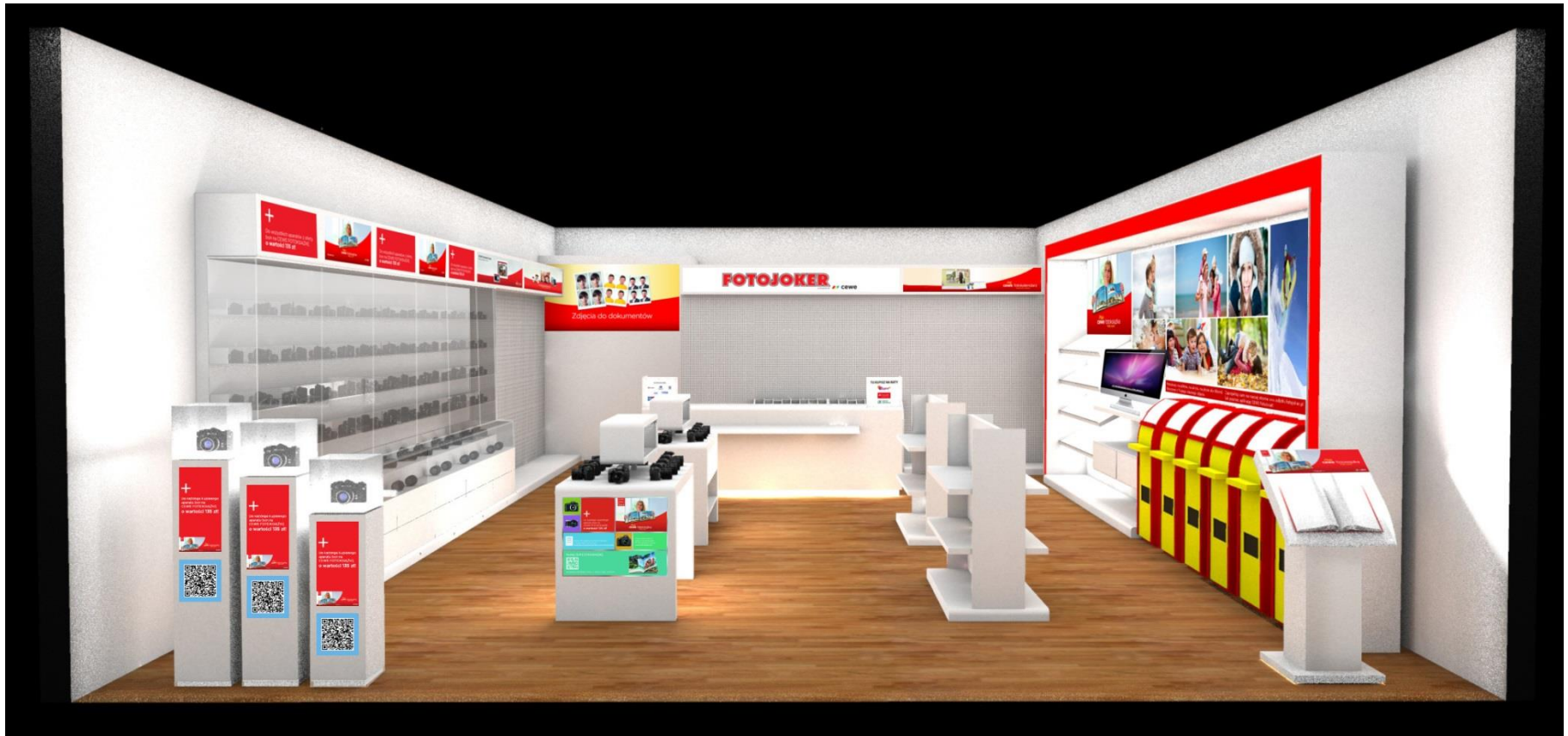
2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)

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# Retail strategy 2015

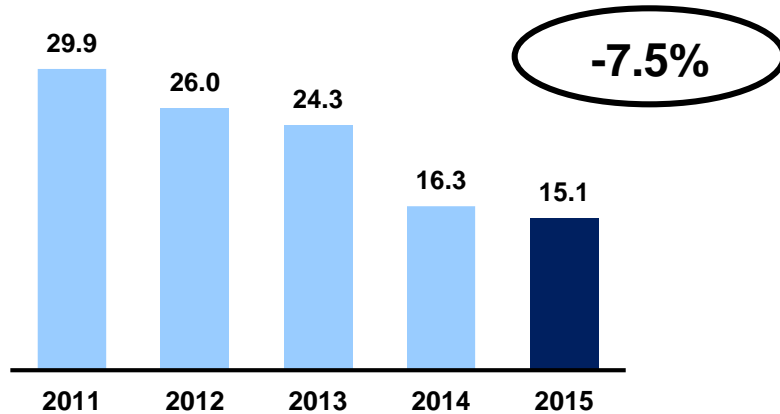


- ▶ Focus on photofinishing products in CEWE-retail shops
- ▶ Adjustments in hardware pricing to improve margins

# Retail\* Segment in Q3

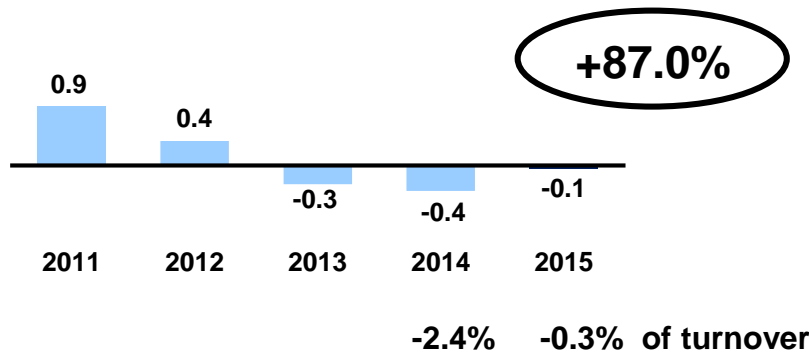
in Euro millions

Turnover\*



- Photo hardware sales continue to decrease slightly, particularly in Poland, one of the reasons being a stronger focus on photofinishing and earnings in Q3 2015

EBIT\*



- EBIT clearly improved by 0.3 m. euros against the previous year, and also better than in 2013 (the year before the discontinuation of wholesale business and requirements for restructuring)

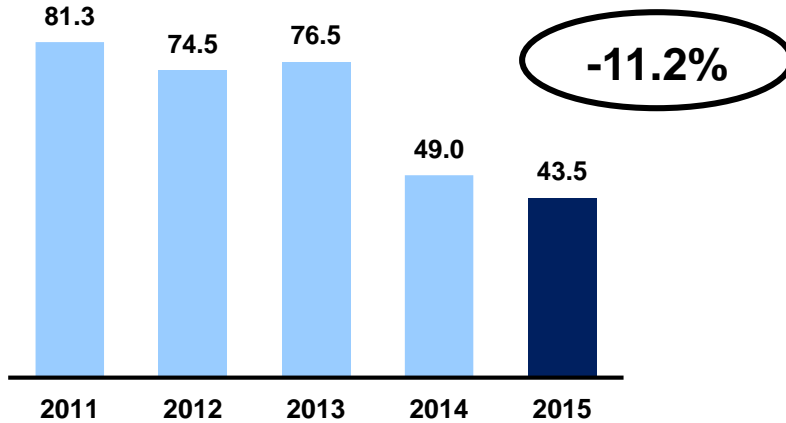
\* Only hardware, no photofinishing  
Rounding errors may result

▶ Retail earnings improved over those of the previous year

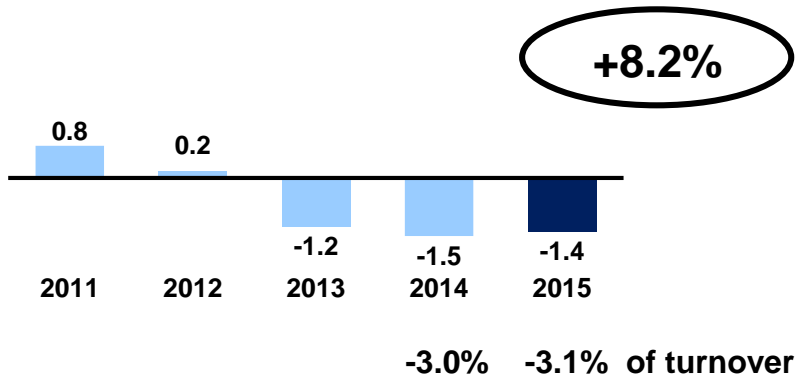
# Retail\* Segment in Q1-3

Turnover\*

in Euro millions



EBIT\*



\* Only hardware, no photofinishing  
Rounding errors may result

- Photo hardware sales continue to decrease in almost all the markets, one of the reasons being a stronger focus on photofinishing and earnings in 2015
- Discontinuation of wholesale business in Poland still slightly felt in Q1-3 2015, since wholesaling was only given up completely at the end of Q1 2014.
- Total EBIT slightly better than in the previous year in spite of 0.6 million euros restructuring costs were still incurred by Fotojoker in Poland in Q1
- Operative EBIT before restructuring improves by 0.7 m. euros: -0.8 m. euros after - 1.5 m. euros in Q1-3 2014

▶ Operative retail earnings before restructuring improved

# Agenda

## 1. New Products and Results

- Photofinishing

- Commercial Online-Print

- Retail

- **Group**

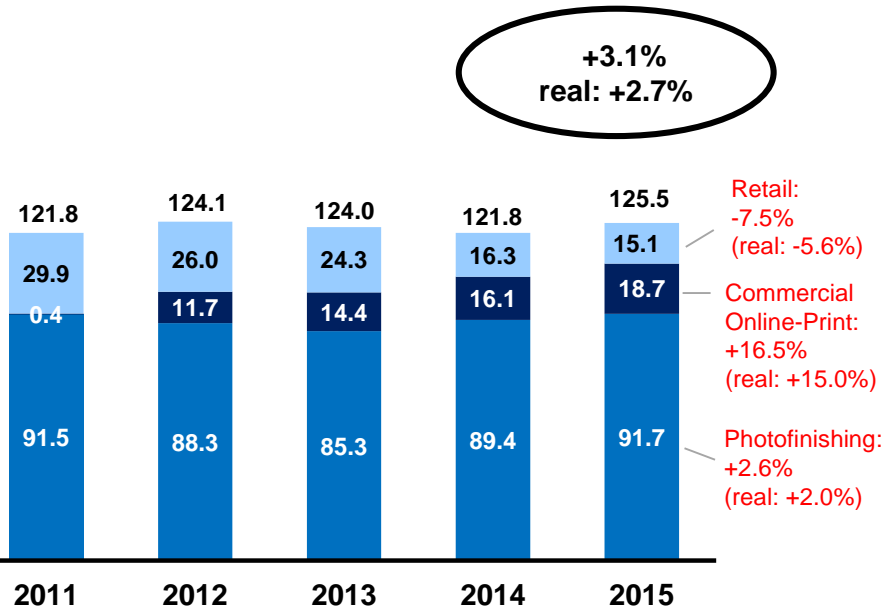
2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)

3. Outlook

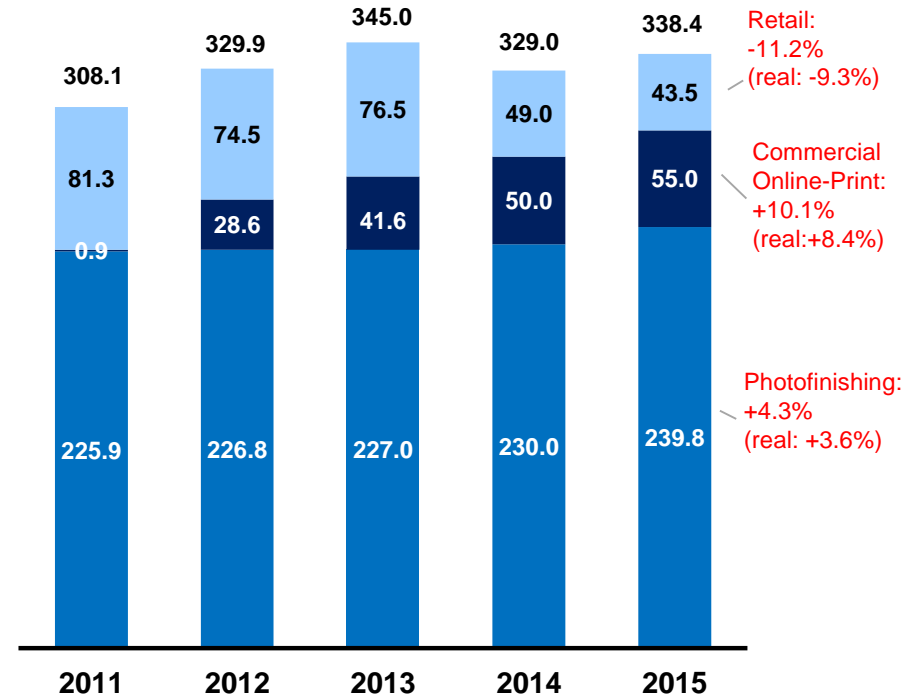
4. Q&A

# Turnover

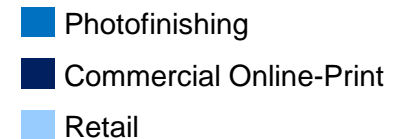
**Q3**  
in Euro millions



**Q1-3**  
in Euro millions



► **Increase in turnover in photofinishing and commercial online printing exceed targeted reduction in turnover in retailing**

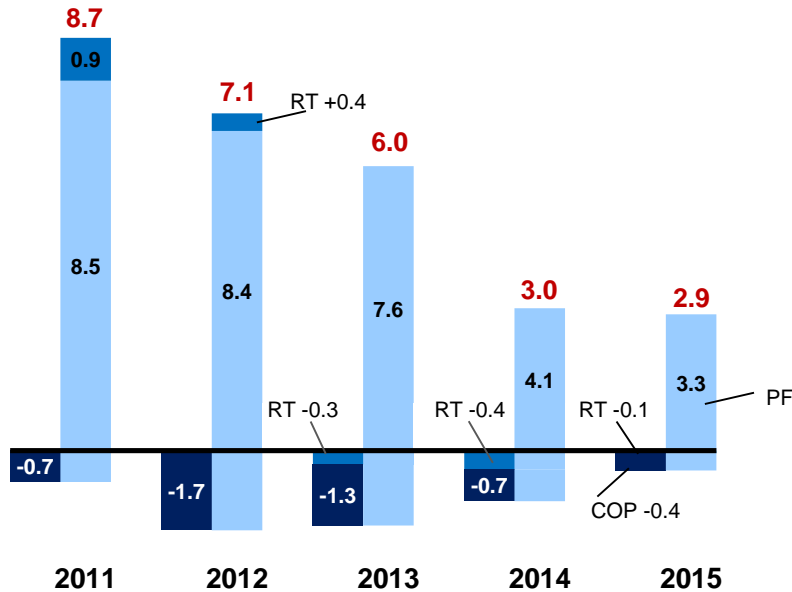


Rounding errors may result

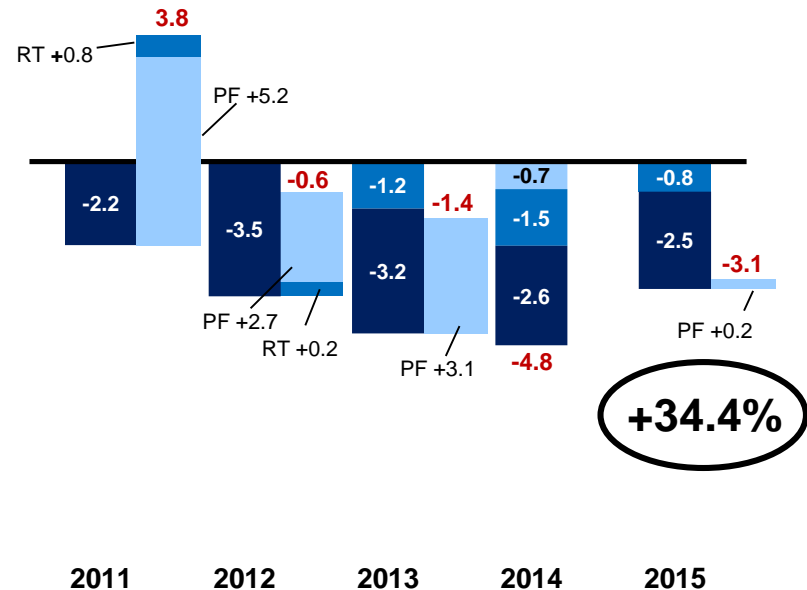


# Operational Result (EBIT before restructuring)

## EBIT Q3 before restructuring in Euro millions



## EBIT Q1-3 before restructuring in Euro millions



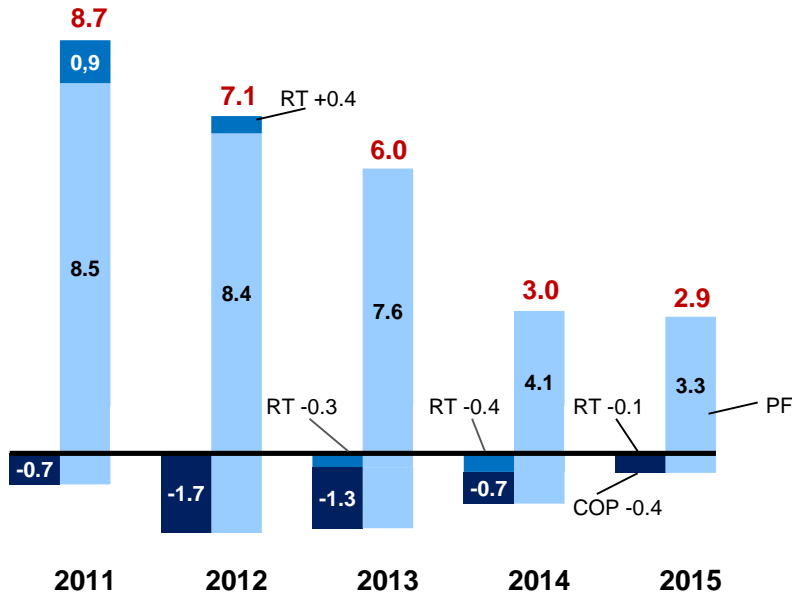
- Photofinishing
- Commercial Online-Print
- Retail

- ▶ **Stable earnings in Q3**
- ▶ **Q1-3 operational result improved**

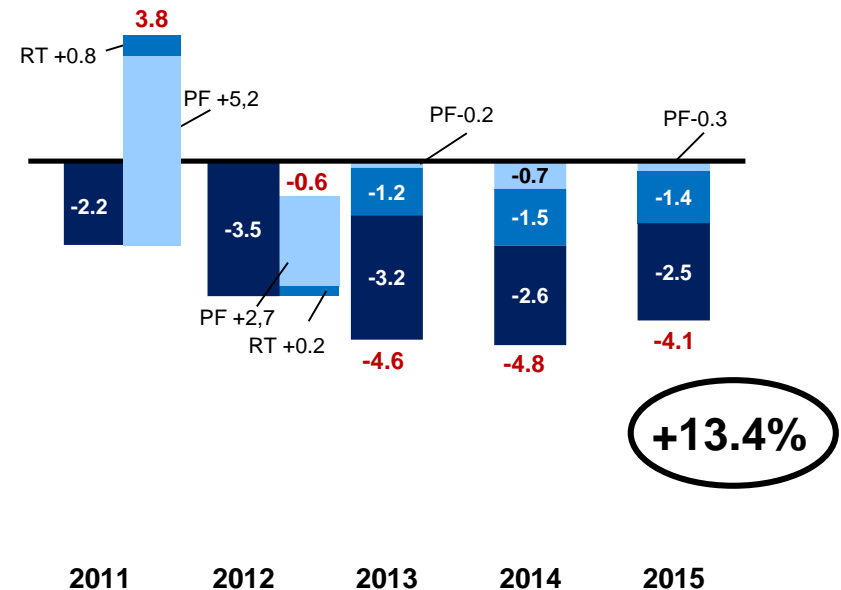
Rounding errors may result.  
Es können sich Rundungsdifferenzen ergeben

# EBIT (after restructuring)

## EBIT Q3 after restructuring in Euro millions



## EBIT Q1-3 after restructuring in Euro millions



- Photofinishing
- Commercial Online-Print
- Retail

► **Q1-3 EBIT improved even after restructuring costs**

Rounding errors may result

# Agenda

1. New Products and Results

**2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)**

3. Outlook

4. Q&A

# Group P&L – Q3

In Millionen Euro	Q3 2015	% v. Umsatz	Q3 2014	% v. Umsatz	Delta* m€	Delta* %
<b>Umsatzerlöse</b>	<b>125,5</b>	<b>100,0%</b>	<b>121,8</b>	<b>100,0%</b>	<b>+3,7</b>	<b>+3,1</b>
Bestandsveränderung	0,2	0,2%	0,2	0,2%	+0,0	+18,3
Andere aktivierte Eigenleistung	0,3	0,2%	0,2	0,1%	+0,1	+44,8
Sonstige betriebliche Erträge	5,8	4,7%	4,3	3,5%	+1,6	+36,3
Materialaufwand	-39,2	-31,3%	-38,7	-31,8%	-0,5	-1,4
<b>Rohergebnis</b>	<b>92,6</b>	<b>73,8%</b>	<b>87,8</b>	<b>72,1%</b>	<b>+4,9</b>	<b>+5,5</b>
Personalaufwand	-33,7	-26,9%	-31,1	-25,5%	-2,7	-8,6
Sonstige betriebliche Aufwendungen	-47,4	-37,8%	-45,5	-37,3%	-1,9	-4,3
<b>EBITDA</b>	<b>11,5</b>	<b>9,2%</b>	<b>11,3</b>	<b>9,3%</b>	<b>+0,3</b>	<b>+2,3</b>
Abschreibungen	-8,7	-6,9%	-8,3	-6,8%	-0,4	-4,6
<b>EBIT</b>	<b>2,9</b>	<b>2,3%</b>	<b>3,0</b>	<b>2,5%</b>	<b>-0,1</b>	<b>-4,1</b>
Finanzerträge	0,0	0,0%	0,1	0,0%	-0,0	-45,8
Finanzaufwendungen	-0,3	-0,2%	-0,2	-0,2%	-0,0	-15,0
<b>EBT</b>	<b>2,6</b>	<b>2,1%</b>	<b>2,8</b>	<b>2,3%</b>	<b>-0,2</b>	<b>-6,6</b>
Steuern vom Einkommen und Ertrag	0,1	0,1%	-0,1	-0,1%	+0,2	-
<b>Ergebnis nach Steuern</b>	<b>2,7</b>	<b>2,2%</b>	<b>2,7</b>	<b>2,2%</b>	<b>+0,0</b>	<b>+0,9</b>

## Distribution of sales returns:

€ 91.7 m. photofin. (PY: € 89.4 m.)  
 € 15.1 m. retail (PY: € 16.3 m.)  
 € 18.7 m. online-pr. (PY: € 16.1 m.)

## (-) Regular income

(+) Irregular income (release of accrual for advertising cost subsidies no longer required)

## (-) Photofinishing and online printing

(+) Retailing

## (-) Photofinishing and online printing

(+) Retailing

## (-) Regular expenses

(-) Irregular expenses (take-over related costs for already served customer base)

(-) Deduction for depreciation on fixed photofinishing assets

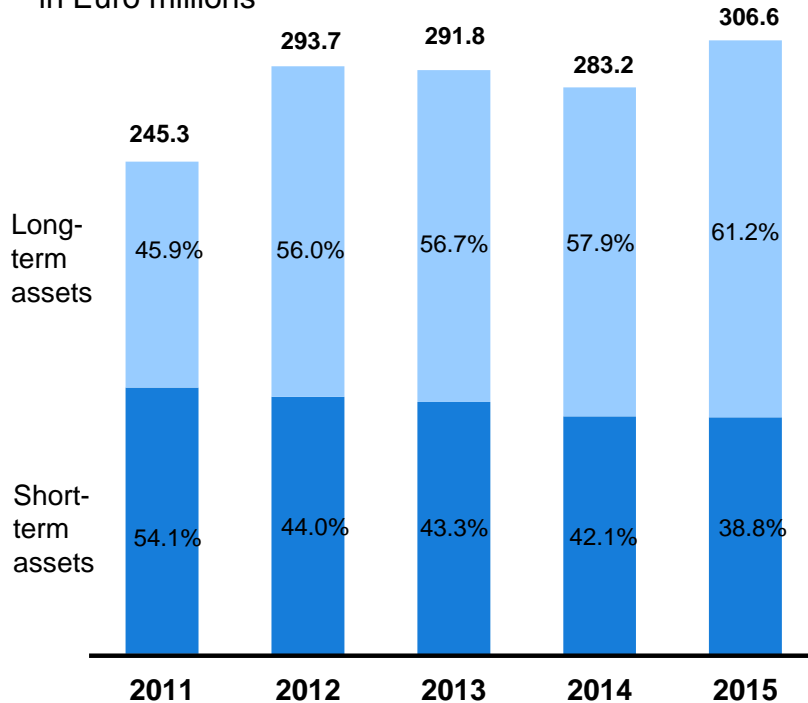
Rounding errors may result

Only the substantial, significant differences to the previous year are illustrated.  
 Due to P&L in German language figures are shown with “,” instead of “.” as delimiter symbol.

# Balance Sheet as of September 30

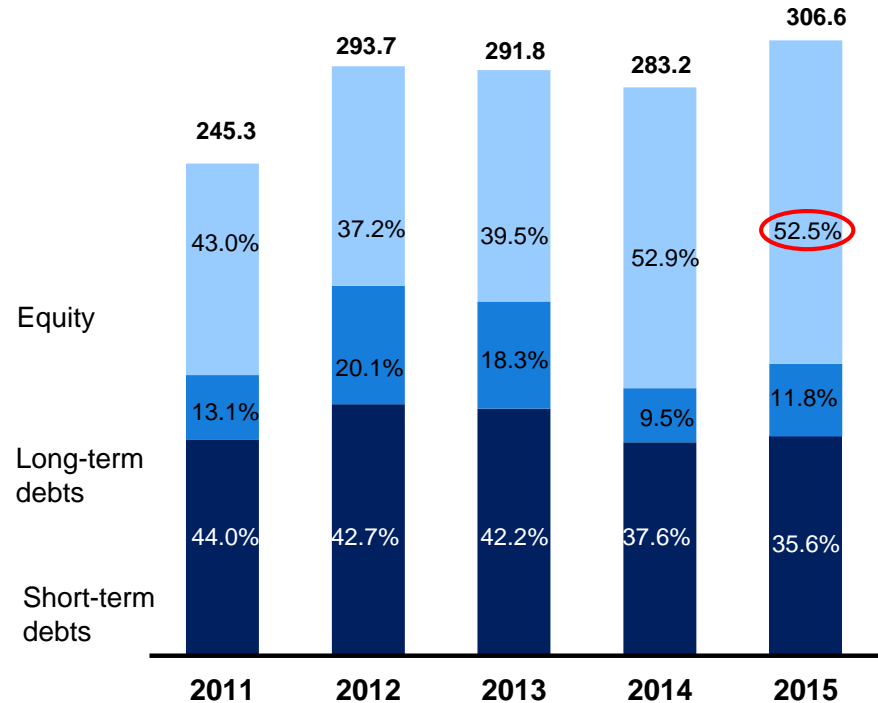
## Assets

in Euro millions



## Liabilities

in Euro millions



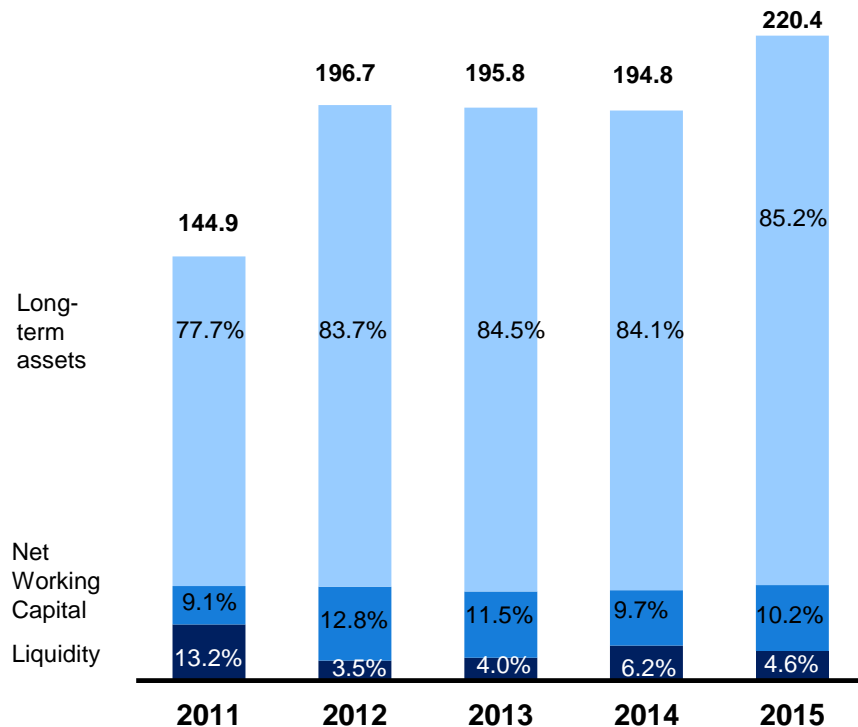
Rounding errors may result

- ▶ Long-term assets increased by corporate acquisitions, investments in points of sale, offset printing and IT infrastructure
- ▶ Considerable equity ratio nevertheless maintained thanks to increased earnings

# Management-Balance Sheet as of September 30

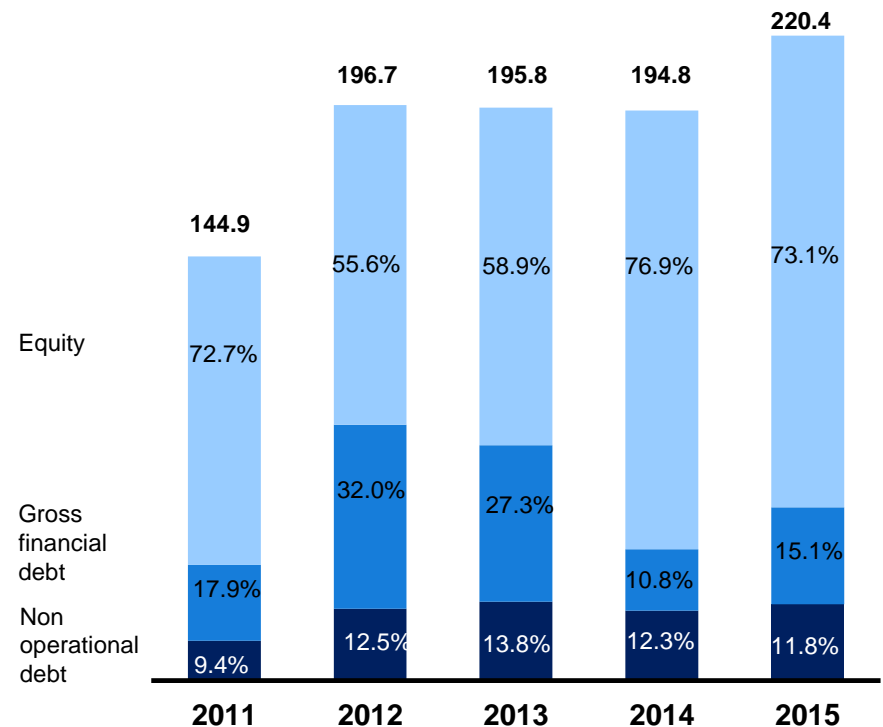
## Capital Employed

in Euro millions



## Capital Invested

in Euro millions



► **Increasing investment intensity and corporate acquisitions raise capital employed**

Rounding errors may result



# Capital Employed I

In Millionen Euro	30.09. 2015	% v. CE	30.06. 2015	% v. CE	Delta m€	Delta %
Sachanlagen	108,1	49,0 %	105,4	51,9 %	+2,7	+2,6 %
Als Finanzinvestitionen gehaltene Immobilien	5,0	2,3 %	5,1	2,5 %	-0,1	-2,0 %
Geschäfts- oder Firmenwert	39,5	17,9 %	25,4	12,5 %	+14,1	+55,7 %
Immaterielle Vermögenswerte	18,4	8,3 %	17,7	8,7 %	+0,7	+3,8 %
Finanzanlagen	3,9	1,8 %	5,2	2,6 %	-1,4	-26,1 %
Langfristige Forderungen aus Ertragsteuer-Erstattungen	1,1	0,5 %	1,1	0,5 %	+0,0	+0,0 %
Langfristige finanzielle Vermögenswerte	1,7	0,8 %	3,2	1,6 %	-1,5	-47,1 %
Langfristig übrige Forderungen und Vermögenswerte	0,4	0,2 %	0,5	0,2 %	-0,1	-19,8 %
Aktive latente Steuern	9,8	4,4 %	9,5	4,7 %	+0,3	+3,0 %
<b>Langfristige Vermögenswerte</b>	<b>187,7</b>	<b>85,2 %</b>	<b>173,0</b>	<b>85,1 %</b>	<b>+14,7</b>	<b>+8,5 %</b>
Vorräte	45,7	20,7 %	47,7	23,5 %	-2,0	-4,2 %
+ kurzfristige Forderungen aus LuL	44,7	20,3 %	37,5	18,4 %	+7,2	+19,3 %
<b>Operatives Brutto-Working Capital</b>	<b>90,4</b>	<b>41,0 %</b>	<b>85,2</b>	<b>41,9 %</b>	<b>+5,2</b>	<b>+6,1 %</b>
- kurzfristige Verbindlichkeiten aus LuL	56,5	25,6 %	54,9	27,0 %	+1,6	+2,9 %
<b>Operatives Netto-Working Capital</b>	<b>33,9</b>	<b>15,4 %</b>	<b>30,3</b>	<b>14,9 %</b>	<b>+3,6</b>	<b>+12,0 %</b>

(+) Kiosk systems and shop units  
(+) Digital/offset printing machines  
(+) EDP infrastructure  
(+) Land and buildings

(+) Addition through investments in companies DeinDesign and futalis

(+) Addition through commercial online-print (software) and acquisitions

(-) futalis (previously financial investment)

(-) futalis convertible loan

(+) Deferred income tax (earnings-induced capitalisation of deferred taxes on losses incurred during the year)

(-) Merchandise  
(-) Raw materials and supplies

(+) Business-driven from increase in sales in Q3

(+) Business-driven from increase in sales in Q3

Only the substantial, significant differences to the previous year are illustrated.  
Due to capital employed structure in German language figures are shown with “,” instead of “.” as delimiter symbol.

Rounding errors may result

# Capital Employed II

In Millionen Euro	30.09. 2015	% v. CE	30.06. 2015	% v. CE	Delta m€	Delta %
Zur Veräußerung gehaltene Vermögenswerte	1,3	0,6 %	1,4	0,7 %	-0,0	-0,7 %
+ Kurzfristige Forderungen aus Ertragsteuererstattungen	6,1	2,8 %	4,5	2,2 %	+1,6	+35,0 %
+ Kurzfristige finanzielle Vermögenswerte	2,2	1,0 %	2,4	1,2 %	-0,2	-8,1 %
+ Kurzfr. Übrige Forderungen und Vermögenswerte	8,7	3,9 %	8,0	4,0 %	+0,6	+8,0 %
<b>Sonstiges Brutto-Working Capital</b>	<b>18,3</b>	<b>8,3 %</b>	<b>16,3</b>	<b>8,0 %</b>	<b>+2,0</b>	<b>+12,3 %</b>
- Kurzfristige Steuerschulden	4,2	1,9 %	4,5	2,2 %	-0,2	-4,7 %
- Kurzfristige übrige Rückstellungen	3,1	1,4 %	3,7	1,8 %	-0,5	-14,4 %
- Kurzfristige finanzielle Verbindlichkeiten	0,3	0,2 %	0,3	0,2 %	+0,0	+0,0 %
- Kurzfristige übrige Verbindlichkeiten	22,0	10,0 %	20,2	10,0 %	+1,8	+8,8 %
<b>Kurzfristige übrige Schulden</b>	<b>29,7</b>	<b>13,5 %</b>	<b>28,7</b>	<b>14,1 %</b>	<b>+1,0</b>	<b>+3,6 %</b>
<b>Sonstiges Netto-Working Capital</b>	<b>-11,4</b>	<b>-5,2 %</b>	<b>-12,4</b>	<b>-6,1 %</b>	<b>+1,0</b>	<b>-7,8 %</b>
Operatives Netto-Working Capital	33,9	15,4 %	30,3	14,9 %	+3,6	+12,0 %
Sonstiges Netto-Working Capital	-11,4	-5,2 %	-12,4	-6,1 %	+1,0	+7,8 %
<b>Netto-Working Capital</b>	<b>22,5</b>	<b>10,2 %</b>	<b>17,9</b>	<b>8,8 %</b>	<b>+4,6</b>	<b>+25,7 %</b>
Langfristige Vermögenswerte	187,7	85,2 %	173,0	85,1 %	+14,7	+8,5 %
+ Netto Working Capital	22,5	10,2 %	17,9	8,8 %	+4,6	+25,7 %
+ Liquide Mittel	10,2	4,6 %	12,3	6,1 %	-2,1	-17,4 %
<b>Capital Employed</b>	<b>220,4</b>	<b>100,0 %</b>	<b>203,2</b>	<b>100,0 %</b>	<b>+17,2</b>	<b>+8,5 %</b>

Advance tax payments are capitalised for the quarter for the purpose of quarterly reporting. Advance tax payments are thus absorbed in the income statement. A flat-rate tax rate is applied for EBT in order to show tax expenditure or income correctly.

(+) Prepaid exp. and deferred charges  
(+) Tax refunds

(-) Utilisation of tax provision

(-) Release of accrual for marketing/advertising allowance

(+) Wages and salaries  
(+) Value added tax and income tax

Rounding errors may result

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# Capital Invested

In Millionen Euro	30.09. 2015	% v. CI	30.06. 2015	% v. CI	Delta m€	Delta %
<b>Eigenkapital</b>	<b>161,1</b>	<b>73,1 %</b>	<b>158,1</b>	<b>77,8 %</b>	<b>+3,0</b>	<b>+1,9 %</b>
Lfr. Pensionsrückstellungen	22,9	10,4 %	22,5	11,1 %	+0,4	+1,9 %
Lfr. passive latente Steuern	2,8	1,3 %	2,8	1,4 %	-0,0	-0,1 %
Lfr. übrige Rückstellungen	0,2	0,1 %	0,2	0,1 %	-0,0	-7,0 %
Lfr. finanzielle Verbindlichkeiten	0,0	0,0 %	0,0	0,0 %	+0,0	*
Lfr. übrige Verbindlichkeiten	0,2	0,1 %	0,2	0,1 %	-0,0	-2,2 %
<b>Nicht operative Schulden</b>	<b>26,1</b>	<b>11,8 %</b>	<b>25,7</b>	<b>12,6 %</b>	<b>+0,4</b>	<b>+1,6 %</b>
Lfr. Finanzverbindlichkeiten	10,2	4,6 %	2,0	1,0 %	+8,2	+415 %
+ kurzfristige Finanzverbindlichkeiten	23,0	10,4 %	17,4	8,6 %	+5,6	+32,3 %
<b>Brutto-Finanzschulden</b>	<b>33,2</b>	<b>15,1 %</b>	<b>19,4</b>	<b>9,5 %</b>	<b>+13,8</b>	<b>+71,3 %</b>
<b>Capital Invested</b>	<b>220,4</b>	<b>100,0 %</b>	<b>203,2</b>	<b>100,0 %</b>	<b>+17,2</b>	<b>+8,5 %</b>

(+) Earnings after tax  
 (-) Exp. and inc. without affecting earnings  
 (+) Capital reserves

(+) Cash required to fund investments

*Only the substantial, significant differences to the previous year are illustrated.  
 Due to capital employed structure in German language figures are shown  
 with “,” instead of “.” as delimiter symbol.*

Rounding errors may result

# Free Cash Flow Q3

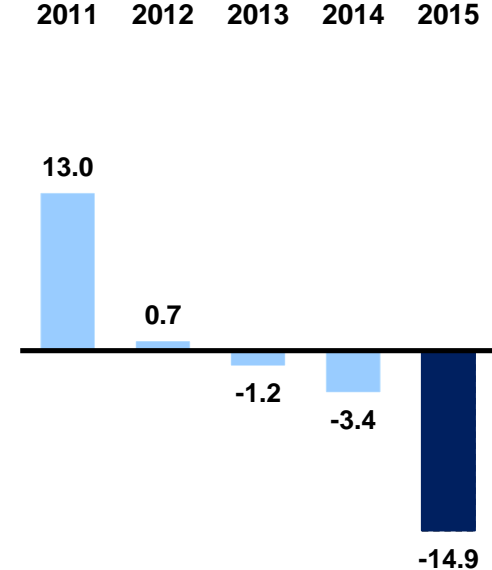
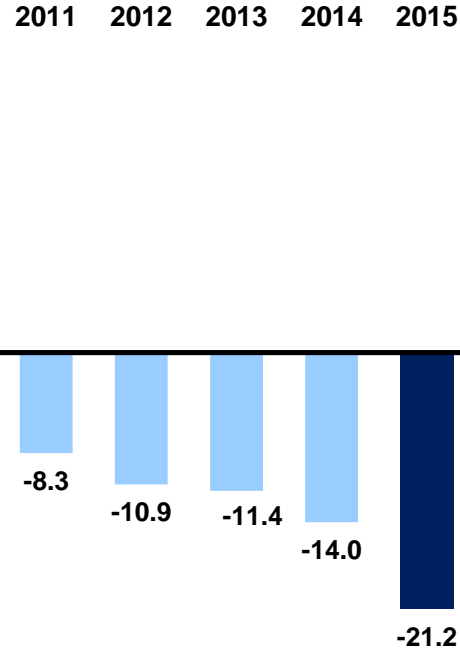
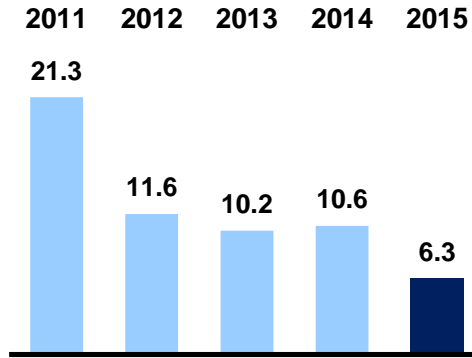
**Cash Flow from  
operative business**  
in Euro millions

+

**Outflow of funds from  
investment activities**  
in Euro millions

=

**Free Cash Flow**  
in Euro millions

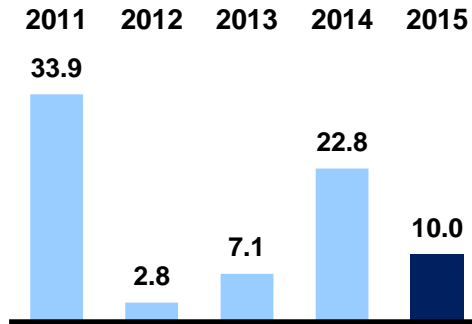


- ▶ Operative cash flow decreases due to increase in working capital and tax payments
- ▶ Corporate acquisitions increase outflow of funds from investment activities

Rounding errors may result

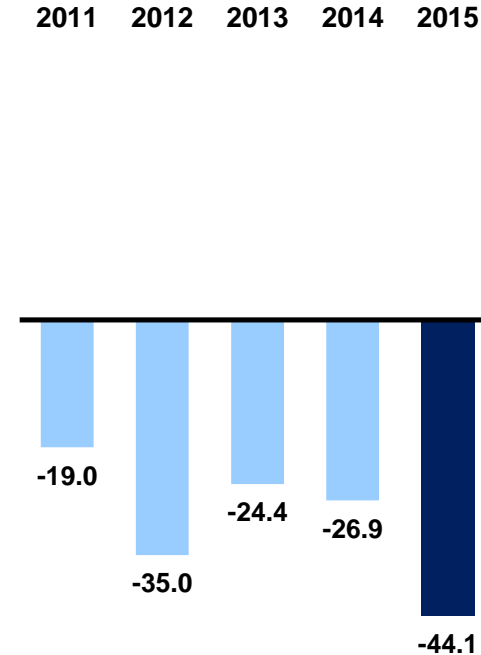
# Free Cash Flow Q1-3

**Cash Flow from  
operative business**  
in Euro millions



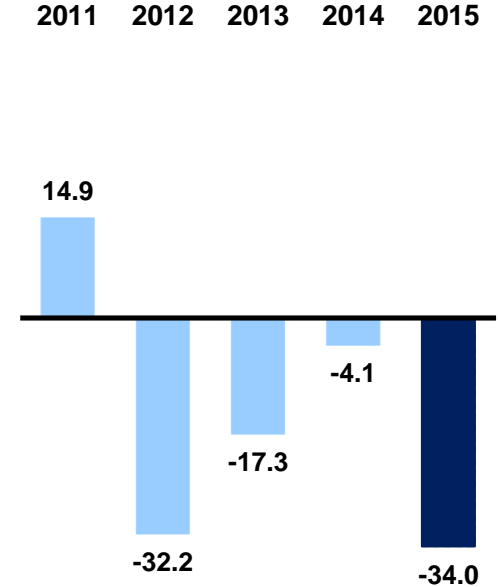
+

**Outflow of funds from  
investment activities**  
in Euro millions



=

**Free Cash Flow**  
in Euro millions



Rounding errors may result

- ▶ Increase in working capital (sales-driven growth in receivables, lower inventory reduction in retailing and higher payments of value added tax) decrease operative cash flow
- ▶ Scheduled increase in operative investments (point of sale and offset printing) and corporate acquisitions reduce cash flow from investments

# ROCE as of September 30

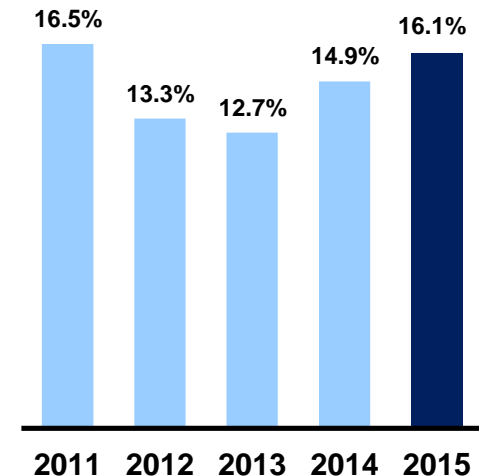
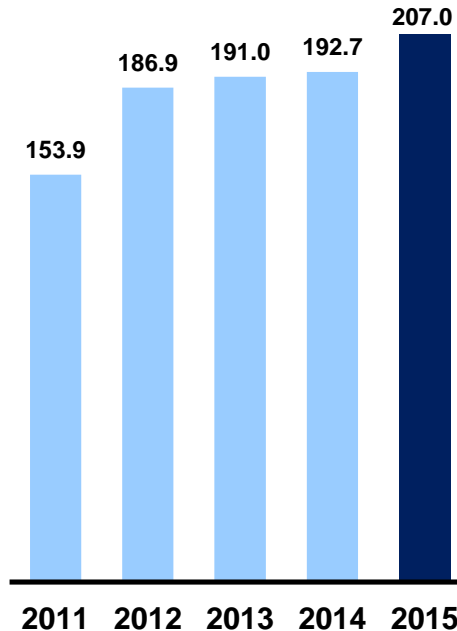
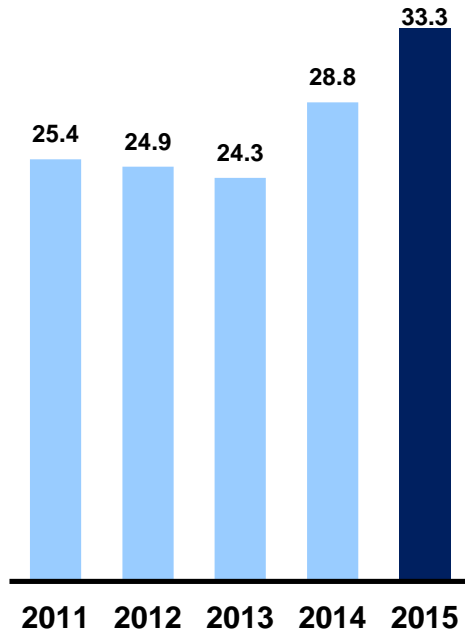
12 months EBIT  
in Euro millions

./.

Average capital employed  
in the past 4 quarters  
in Euro millions

=

ROCE\*  
in %



► **Growth in 12-month EBIT pushes up ROCE in spite of increase in capital employed**

\* ROCE = EBIT / Capital Employed

Rounding errors may result



# Agenda

1. New Products and Results
2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)
- 3. Outlook**
4. Q&A

# Outlook 2015

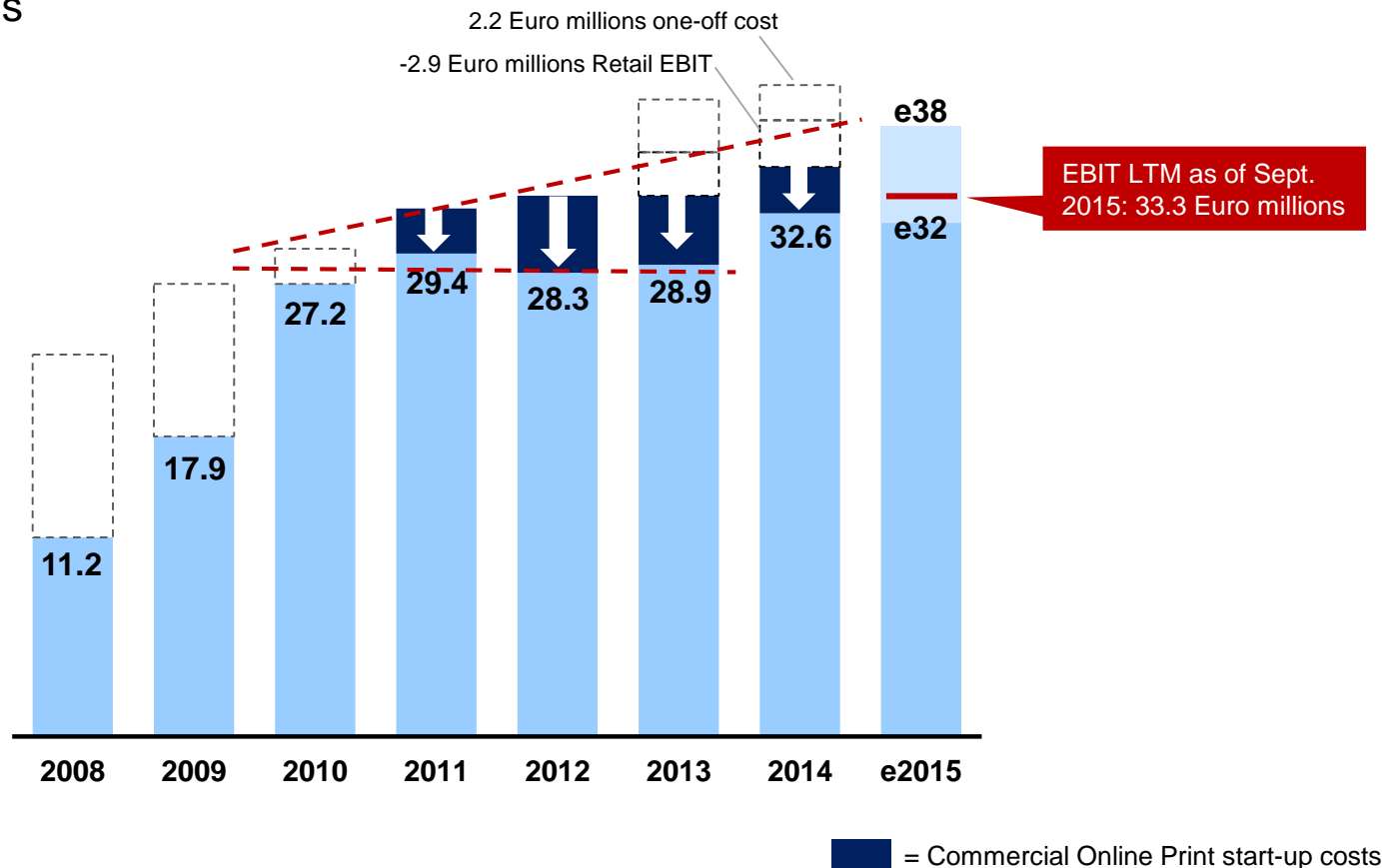
		Target	Change 2014
Photos	digital	2.10-2.15 billion photos	-5% to -2%
	analogue	0.065-0.070 billion photos	-27% to -21%
	total	2.17-2.22 billion photos	-6% to -3%
CEWE PHOTO BOOKS		6.0-6.1 million books	+1% to +3%
Investments*		46 EUR millions	
Revenue		515-535 EUR millions	-2% to +2%
EBIT		32-38 EUR millions	-2% to +16%
EBT		30-36 EUR millions	-5% to +14%
Earnings after tax		20-24 EUR millions	-6% to +12%
Earnings per share		2.87-3.45 EUR	-6% to +12%

\* without acquisitions (companies or customer bases)

► **Outlook for 2015 unchanged and confirmed**

# EBIT Development

in Euro millions



- ▶ Clear continuation of the positive development of core business
- ▶ Actual profitability currently hidden by online printing start-up costs

# Agenda

1. New Products and Results
2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)
3. Outlook
- 4. Q&A**

# Q&A-Session

Q3 2015 Analyst Conference Call

November 12, 2015

