

# Results Q3 2019

Analyst Conference Call

CEWE Stiftung & Co. KGaA

Oldenburg

November 13, 2019



*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. Figures may not sum to 100, because of rounding.*

The logo for the company 'cewe' is displayed in a white rectangular box. It features a stylized red 'M' icon followed by the word 'cewe' in a red, lowercase, cursive font.

**M** cewe



# At a glance: Q3 2019

- Turnover in the **Photofinishing business segment grew** by an outstanding 15.7% **to 116.2 million euros**. Photofinishing contributed with an **EBIT of 1.4 million euros** despite a negative contribution of the acquisitions in total (EBIT Q3 2018: 2.6 million euros \*\*). The CEWE PHOTOBOOK sales volume increased by a strong 6.4% with 1.4 million copies. A good third quarter.
  - **Commercial Online-Print grows** by 3.9%, **to turnover of 24.8 million euros**. More than anything else, weak LASERLINE sales as a result of price pressure slows down the growth. **EBIT improved by 0.9 million euros** to -0.8 million euros (Q3 2018: -1.7 million euros \*\*).
  - Including futalis Group EBIT is exactly on previous year's level. **CEWE Group EBIT \*** (without futalis) in the third quarter **at 0.2 million euros** (Q3 2018: 0.6 million euros \*\*).
- **Q3 confirms the targets for 2019: EBIT is to rise to up to 58 million euros**

Rounding differences may occur.

\* EBIT without futalis as "discontinued operation" acc. to IFRS 5

\*\* adjusted prior-year figures based on the finalisation of purchase price allocations for Cheerz and Laserline

Highlights Q3		Q3 2018	Q3 2019	Comment
<b>Photofinishing</b>				
<b>Sales Volume</b>	in photo m.	513.7	549.6	<ul style="list-style-type: none"> <li>Also third quarter increases and confirms volume target for 2019</li> <li>Turnover increases organically and also through the WhiteWall acquisition</li> <li>EBIT fully in line with ongoing shift in seasonality</li> </ul>
<b>Turnover</b>	in EUR m.	100.5	116.2	
<b>EBIT</b>		2.6	1.4	
<b>Commercial Online-Print</b>				
<b>Turnover</b>	in EUR m.	23.9	24.8	<ul style="list-style-type: none"> <li>Saxoprint more than compensates weak Laserline sales as a result of price pressure</li> <li>Clear EBIT improvement in spite of Laserline development</li> </ul>
<b>EBIT</b>		-1.8	-0.8	
<b>Retail</b>				
<b>Turnover</b>	in EUR m.	11.8	10.2	<ul style="list-style-type: none"> <li>Focus on profitability and photofinishing reduces hardware sales</li> <li>EBIT on previous year's level and traditionally negative in third quarter</li> </ul>
<b>EBIT</b>		-0.1	-0.1	
<b>Other (incl. futalis acc. to IFRS 5)</b>				
<b>Turnover</b>	in EUR m.	1.0	1.4	<ul style="list-style-type: none"> <li>Contains structure and company costs and the result from real estate holdings and investments</li> <li>futalis improves revenue and profit situation</li> </ul>
<b>EBIT</b>		-0.7	-0.3	
<b>Group (without futalis acc. to IFRS 5)</b>				
<b>Turnover</b>	in EUR m.	136.2	151.2	<ul style="list-style-type: none"> <li>Turnover up by strong 11.1%, EBIT with special income in PY</li> <li>"futalis" classified acc. to IFRS 5 ("discontinued operation") in current year and PY</li> <li>Previous year's figure updated due to finalization of purchase price allocations</li> </ul>
<b>EBIT</b>		0.6	0.2	
<b>Free Cash Flow</b>	in EUR m.	2.8	5.4	
<b>ROCE</b>	%	14.5	15.8	ROCE increased and remains strong (ROCE before IFRS 16 amendment at 18.2%)
<b>Equity ratio</b>	%	52.6	46.2	Solid equity ratio, decline due to IFRS 16 first-time adoption (before IFRS 16: 52.8%)

*Rounding differences might occur.*

➤ **Also Q3 confirms the annual targets for 2019**

# Agenda

## 1. Results

### - Photofinishing

- Commercial Online-Print

- Retail

- Other

- Group

## 2. Financial Report

## 3. Outlook



# CEWE Photo Award 2019: The Winners



CEWE Photo Award 2019  
Weltgrößter Fotowettbewerb

448.152

Fotos

# CEWE Photo Award 2019: The Winners





# PR-Clippings: CEWE Photo Award 2019

THE  TIMES

GEO

Bild

FOTOPREIS  
So komisch kann  
Tierfotografie sein

Fast eine halbe Million Bilder haben Fotografen aus aller Welt beim CEWE Photo Award eingereicht. Durchgesetzt hat sich eine Hobby-Fotografin mit der Aufnahme eines Ziesels

< 1 / 10 >



ntv

Die Welt ist schön  
Hobbyfotografen und ihre Bilder

Über 448.000 Bilder von passionierten Freizeitfotografen konkurrieren beim Cewe-Fotowettbewerb "Our world is beautiful" um den Titel. Hier eine kleine Auswahl der Kandidaten - von traumschön bis skurril.

CHRISTIE GOODWIN IM INTERVIEW

## Promi-Fotografin gibt Tipps für perfekte Bilder

[...] Goodwin ist Jurorin des diesjährigen CEWE Photoawards: In den über 400.000 Teilnehmern sieht sie 400.000 Unterstützer ihrer Revolution: „Ich will, dass mich die Fotos umwerfen.“ [...]

ONLINE  
FOCUS

Menschen, Orte, Momente: Das Einfangen besonderer Augenblicke ist eine Kunst, die es zu beherrschen gilt. Beim „CEWE Photo Award 2019“ mit FOCUS Online können Hobby- und Profifotografen jetzt zeigen, was sie drauf haben. Den Gewinnern winken hochkarätige Preise.

NATIONAL  
GEOGRAPHIC  
POLSKA

Computer  
Bild

Fotowettbewerb mit Rekordbeteiligung

## Cewe Photo Award 2019 ist weltweit größter Fotowettbewerb

13.06.2019, 09:39 Uhr Unter dem Motto „Our world is beautiful“ kamen zum Cewe Photo Award 2019 insgesamt über 450.000 Beiträge zusammen. Nun hat die Fachjury die schwere Wahl, einen Gewinner zu küren. Alle Infos!



THE  
Sun  
NEWS WEBSITE OF THE YEAR

Amateur  
Photographer

EveningStandard.  
WEBSITE OF THE YEAR

DAILY  
STAR

MADONNA<sup>24</sup>

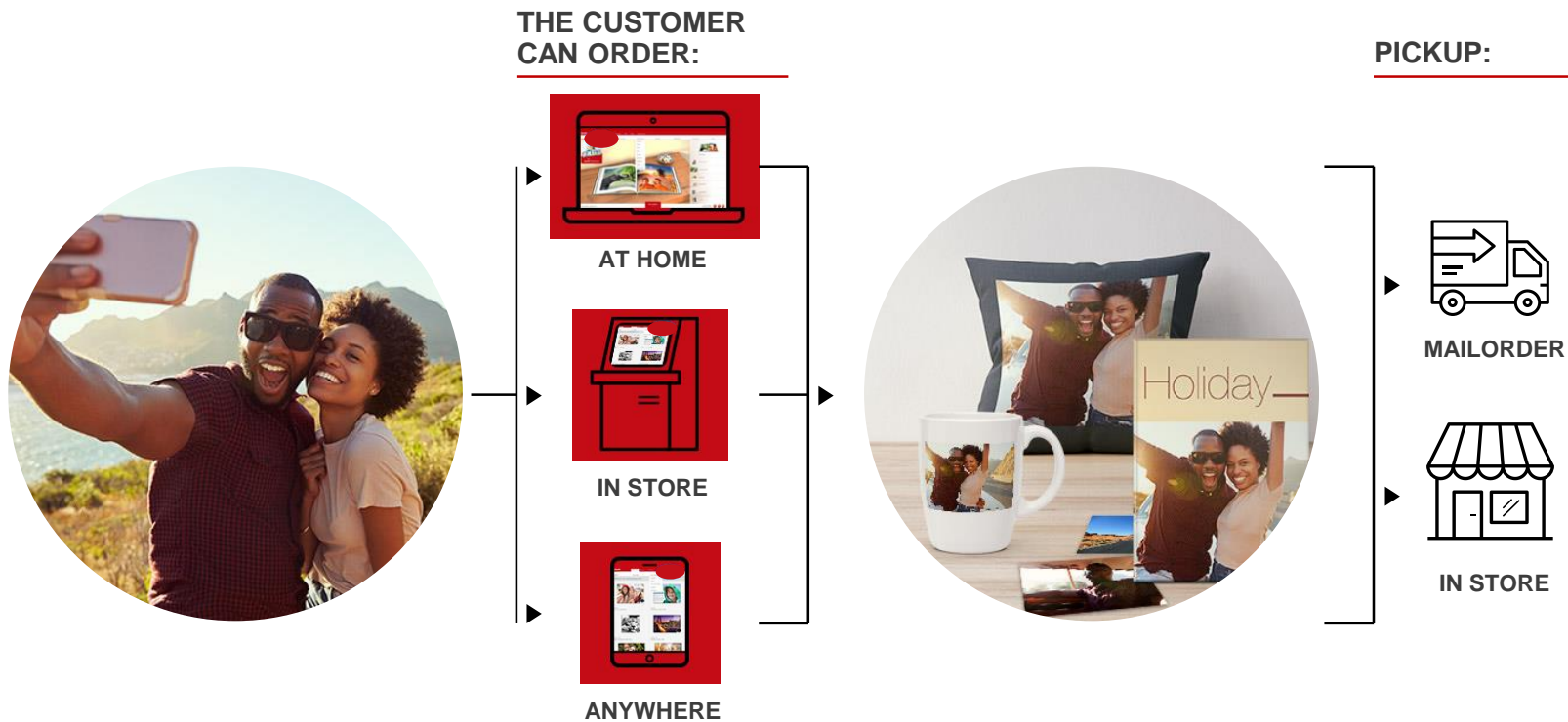
Gala

EIN BILD SAGT  
MEHR ALS  
1000 WÖRTE

«Our world is beautiful» hiess das Motto des CEWE PHOTO AWARD 2019. Aus 448.152 eingereichten Bildern hat eine hochkarätige Jury die Gewinner ermittelt. Zu den Besten gehören auch 21 Fotos von Schweizerinnen und Schweizern



# CEWE's omni-channel solution: Customer centric



# Order at CEWE: Anytime & anyplace

The customer can choose from 4 order channels:



## IN-STORE

- True self service for customers, simple for store staff to manage
- Integrated iOS- and Android card reader
- Easy, fast and intuitive
- New, attractive creative output products



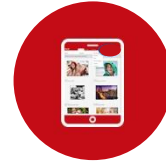
## ONLINE

- Easy, convenient in-browser option
- Includes 6 months free project storage
- Photo editing options
- Automatic layout function selecting multiple photos
- Personalisation available with text and clip-art



## DESKTOP SOFTWARE

- Fully functional software with extensive editing features
- Ideal for larger photo books
- Save projects offline
- Include QR codes for Videos in photo books
- Full range of products available
- Pre-made templates
- Cover highlights
- Assistant available



## APP

- Intuitive, quick and easy
- In-app Photo editing
- Automatic layout function selecting multiple photos
- Options for personalisation with text and clip-art



# In-store @ CEWE PHOTOSTATION



my  
**cewe** photobook

**CEWE PHOTOBOOK**  
with leather and linen cover

MARIE & ALEXANDER

The new leather and linen covers provide for an outstanding visual and haptic experience. They are also an elegant way to protect your most cherished memories. You can customize your CEWE PHOTOBOOK by adding text and clip arts as special highlights on the front and back cover.

my  
**cewe** photobook

**CEWE PHOTOBOOK**  
Hardcover with highlights in rosé-gold



**Winterzeit**  
*mit Anna & Jan*

Highlights in rosé-gold are now available as new design elements. This allows for new markets and target groups to be opened up.

The logo for 'cewe' is written in a white, lowercase, cursive font on a red rectangular background.

**Memory Boxes**  
Boxes containing photos



Design

Front

Back



The photo box is perfect as a gift, for storage, or decoration and its introduction helps to improve competitiveness. Customers can choose which photo they would like to insert at the front as a title, making it a customizable product.

my  
*cewe* calendar

**CEWE CALENDAR**  
**Gift packaging A3**  
New additional item



We have added a new additional item to our CEWE CALENDAR range: stylishly sophisticated gift packaging. The ideal option for our customers to wrap their Christmas presents in attractive high-quality packaging.

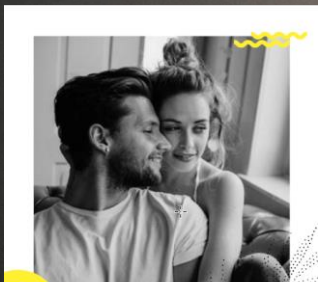




2020-2021  
UNSER JAHR



12345  
678910 11 12 x 2020  
mit Charlotte & Lorenz



Januar

Mo	Di	Mi	Do	Fr	Sa	Son
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	31				



my  
cewe wall art

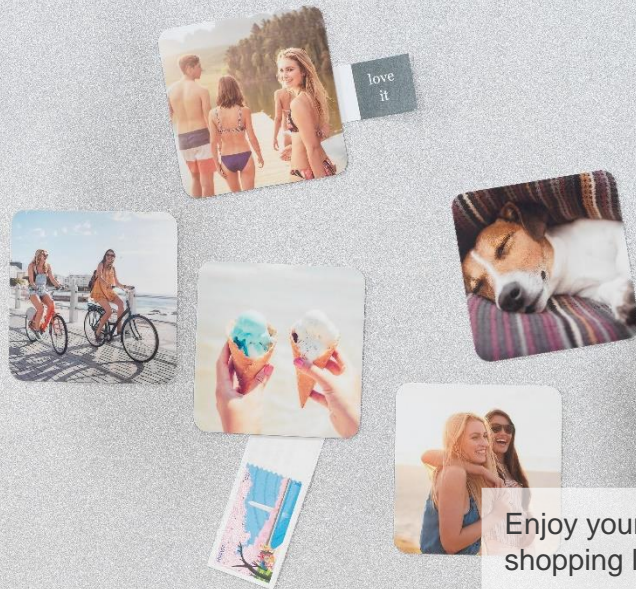
Poster in plastic frame  
New material



Available for 10 different Poster formats: plastic frames in slightly glossy black or white! With convenient acrylic glass and mounting bracket.

cewe

Photo magnet – square



Enjoy your best pictures every time you open the fridge or put up your shopping list.



cewe

Photo magnet – heart



Colourful variety made easy: your most cherished memories in a cute heart shape.



cewe

Advent calendar with  
kinder® Surprise Eggs



Intended for further development of the successful cooperation with Ferrero and for optimising the advent calendar product range.

cewe

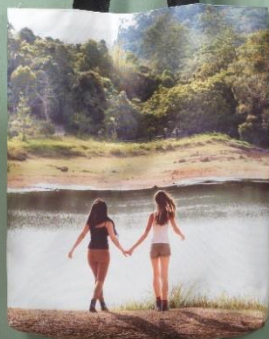
Photo gifts



Sporting your personal image, the enamel cup is likely to become your new favourite cup!

cewe

**Photo gifts**  
Premium textiles



Your personal shopping assistant: customize the premium tote with your photo!

cewe

Photo gifts  
Premium textiles

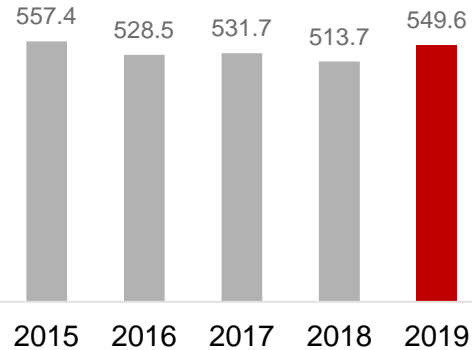




# Number of prints and turnover Photofinishing Q3

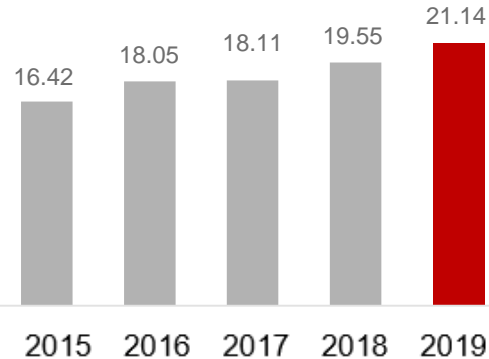
**Total prints  
in millions**

+7.0%  
Target 2019:  
+0% to +2%



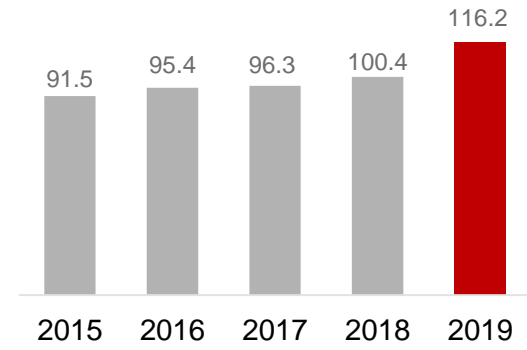
**Value per photo  
Turnover/photo  
(Euro cent / photo)**

+8.1%



**Turnover photofinishing Q3  
in euro millions**

+15.7%



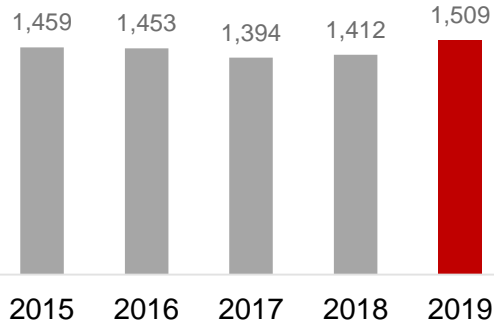
*Rounding differences may occur.*

➤ **Rising share of value-added-products increases turnover per photo once again**

# Number of prints and turnover Photofinishing Q1-Q3

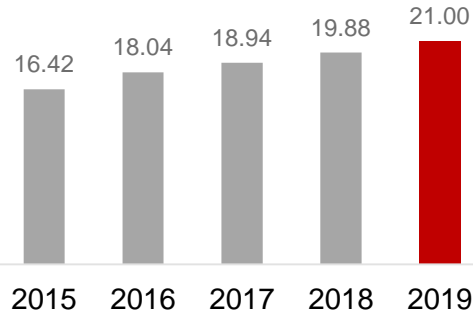
**Total prints  
in millions**

+6.9%  
Target 2018:  
+0% to +2%



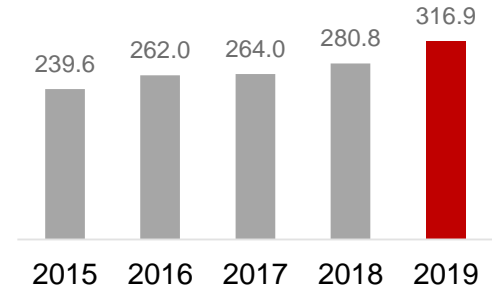
**Value per photo  
Turnover /photo  
(Euro cent / photo)**

+5.6%



**Turnover photofinishing  
Q1-Q3  
in euro millions**

+12.9%

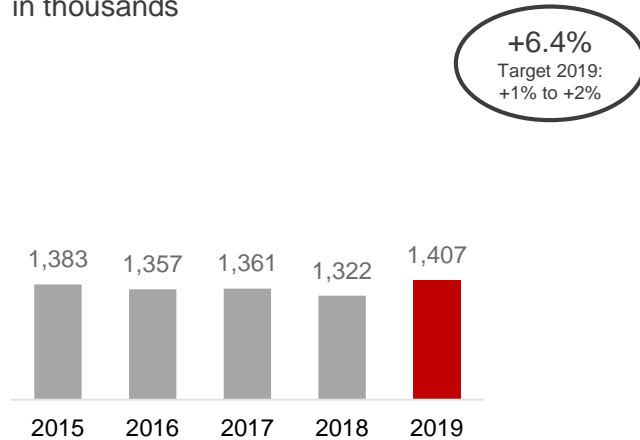


*Rounding differences may occur.*

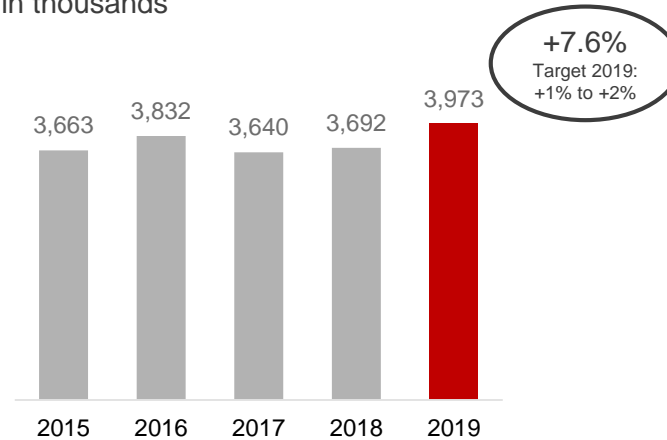
- > Volume development exceeds expected range
- > Rising share of value-added-products increases turnover per photo

# CEWE PHOTOBOOK

Number of CEWE PHOTOBOOKS Q3  
in thousands



Number of CEWE PHOTOBOOKS Q1-Q3  
in thousands



*Rounding differences may occur.*

> **CEWE PHOTOBOOK with decent growth – more than expected**

# 60 millionth CEWE PHOTOBOOK

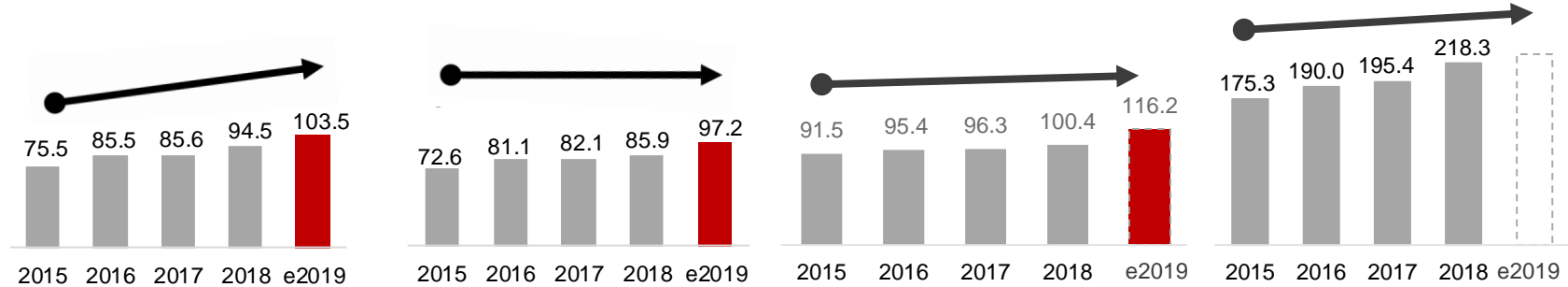


Thomas Lichtblau (BIPA), Lydia Reich and Ewald Hahn (CEWE)

- Bestselling photo book in Europe
- CEWE customer Lydia Reich ordered the 60 millionth CEWE PHOTOBOOK at trading partner BIPA in Austria
- Since 2005, the CEWE PHOTOBOOK has been a bestseller

# Turnover by Quarter – Photofinishing

Seasonal distribution: CEWE 2015 to 2019 – Share in turnover by quarter as a million



**Turnover target 2019**  
approx.  
520 to 555 m€\*

**Q1 Target**  
97.1 to 104.0 Euro mill.

**Q1 Actual**  
103.5 Euro mill. ✓

**Q2 Target**  
88.4 to 94.3 Euro mill.

**Q2 Actual**  
97.2 Euro mill. ✓

**Q3 Target**  
101.4 to 108.2 Euro mill.

**Q3 Actual**  
116.2 Euro mill. ✓

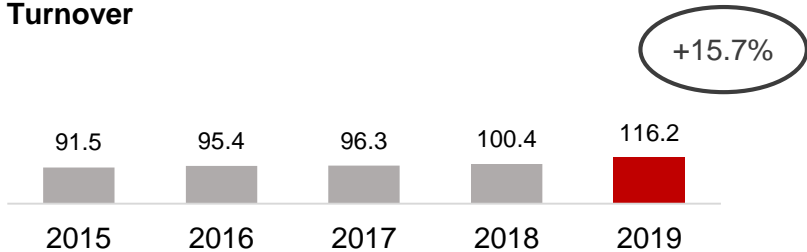
**Q4**

\* Planned group turnover w/o target turnover of segments retail, commercial online-print and other. Rounding differences may occur.

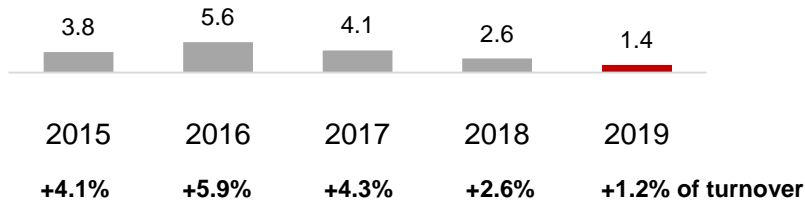
# Business segment Photofinishing Q3

in Euro millions

## Turnover



## EBIT



- Q3 photofinishing grows by a strong 15.7%. Former core CEWE business grows significantly, even without Cheerz and WhiteWall (initial consolidation in June 2019).

- As expected, current Q3 EBIT continues the series of seasonal (shift)-related declines in Q3 photofinishing earnings
- Additional marketing expenditure not noticeable in overall income
- Q3 2019 special effects: -0.65 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.1 million euros
  - PPA effects from Cheerz purchase price allocation: -0.5 million euros
- Previous year Q3 2018 special effects: -0.66 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.1 million euros
  - PPA effects from Cheerz purchase price allocation: -0.4 million euros
  - Sales revenue from the operation in Nuremberg: 1.2 million euros
  - Non-recurring costs for the photokina trade-show presentation -1.3 million euros

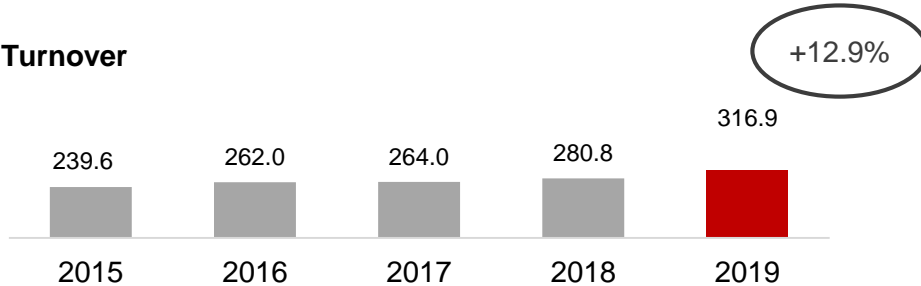
- > Photofinishing grows in core business, with acquisitions also driving increase in sales
- > As expected, Q3 contribution to EBIT falls short of previous year

*Rounding differences may occur*

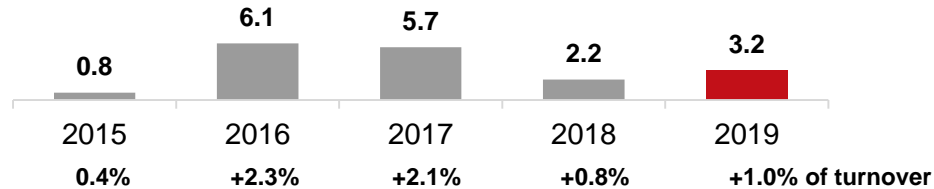
# Business segment Photofinishing Q1-Q3

in Euro millions

## Turnover



## EBIT



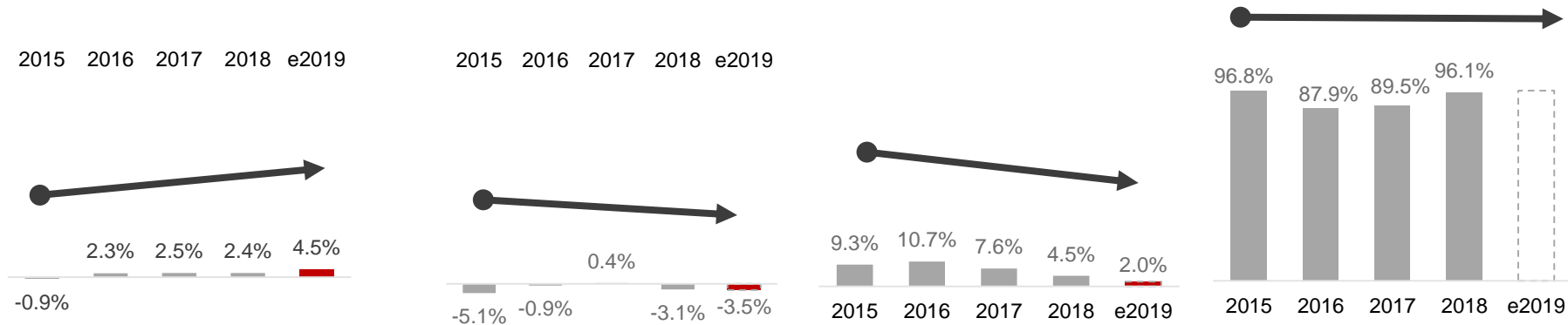
- > **Photofinishing grows strongly**
- > **EBIT improved in spite of contributions to earnings from acquisitions that are still negative**

- Q1-3 photofinishing grows by a strong 12.9%. Without Cheerz and WhiteWall, former core CEWE business also grows significantly.
- The first nine months started with another stronger first quarter, followed by a second quarter with the weather "more order-friendly" resulting in renewed growth, contrary to the trend of seasonal shifting in previous years. The third quarter also sees this development continuing, with growth in core business and through acquisitions.
- Photofinishing grows positively despite transaction costs for the WhiteWall acquisition and (also as a result of these costs) still negative WhiteWall and also Cheerz earnings contributions.
- Q1-3 2019 special effects: -1.8 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.3 million euros
  - PPA effects from Cheerz purchase price allocation: -1.5 million euros
- Previous year Q1-3 2018 special effects: -1.7 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.3 million euros
  - PPA effects from Cheerz purchase price allocation: -1.3 million euros
  - Sales revenue from the operation in Nuremberg: 1.2 million euros
  - Non-recurring photokina trade-show presentation costs -1.3 million euros

*Rounding differences may occur*

# EBIT by Quarter – Photofinishing

Seasonal distribution: CEWE 2015 to 2019 – EBIT share by quarter as a percentage



**EBIT target 2019  
Photofinishing**  
50.5 to 57.5  
Euro mill.

**Q1 target**  
+2.3 to +2.6 Euro mill.

**Q2 target**  
-1.8 to -2.0 Euro mill.

**Q3 target**  
+1.0 to +1.2 Euro mill.

Q4

**Q1 actual**  
+3.0 Euro mill. ✓

**Q2 actual**  
-1.3 Euro mill. ✓

**Q3 actual**  
+1.4 Euro mill. ✓

51.0-58.0 Euro million targeted Group EBIT before segments retail, online printing and other.  
Rounding differences may occur



# Agenda

## 1. Results

- Photofinishing

- **Commercial Online-Print**

- Retail

- Other

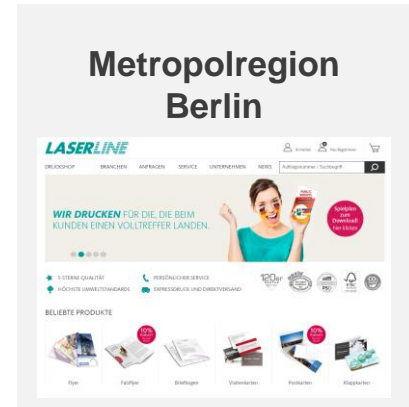
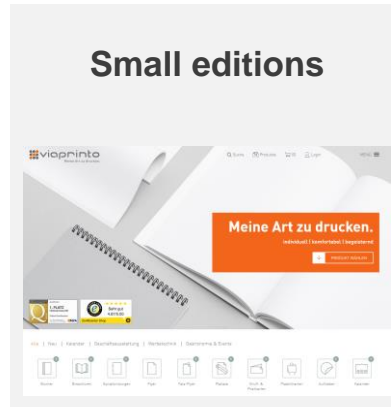
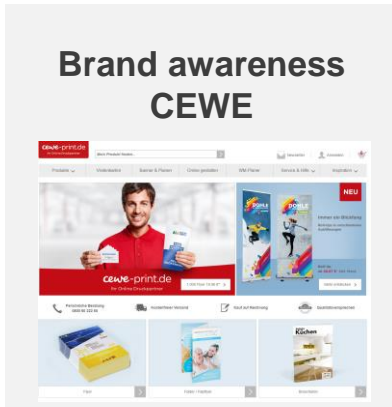
- Group

2. Financial Report

3. Outlook



# The CEWE online print brands

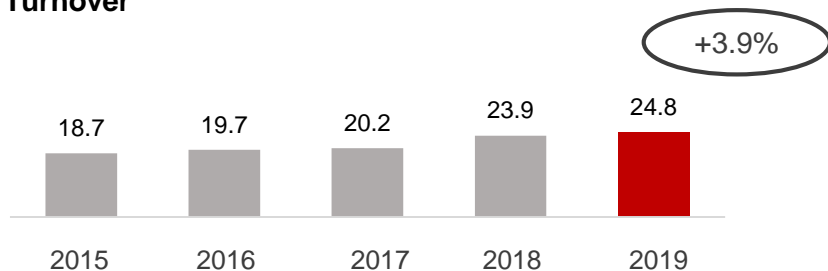


➤ Business and advertising prints: flyers, business cards, stationery, packaging, promotional items, etc.

# Business segment Commercial Online-Print Q3

in Euro millions

## Turnover



## EBIT

Year	EBIT (Euro millions)	EBIT Margin (%)
2015	-0.4	-1.9%
2016	-0.3	-1.6%
2017	0.4	+2.0%
2018	-1.7	-7.3%
2019	-0.8	-3.4% of turnover

- > COP turnover continues to increase in Q3 as well
- > Negative LASERLINE contribution prevents EBIT from improving even more

- Commercial online printing (COP) increases by 3.9% in the third quarter. Weak LASERLINE sales, mainly as a result of price pressure, continue to put a damper on growth. Without LASERLINE, COP grows more than reported in Q3, in spite of the fact that price pressure in Germany in general continues to restrain stronger growth.

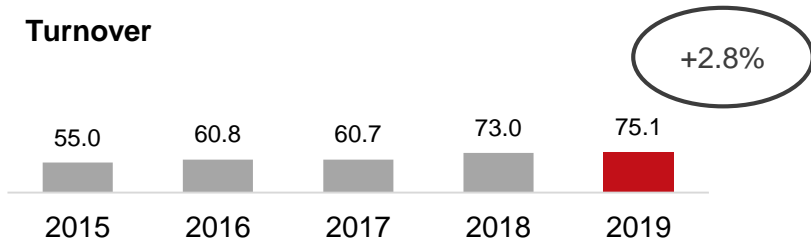
- Reported EBIT improves by 0.9 million euros to -0.8 million euros (Q3 2018: -1.8 million euros). At the same time, almost half of this improvement results from operative progress; in addition, integration costs have occurred at LASERLINE in the previous year.
- More than anything else, weak sales-related LASERLINE earnings prevent an even greater EBIT improvement for COP
- Q3 2019 special effects: -0.1 million euros
  - PPA effects from Saxoprint purchase price allocation: -0.1 million euros (rounded off)
  - PPA effects from Laserline purchase price allocation: -0.1 million euros (rounded off)
- Previous year Q3 2018 special effects: -0.6 million euros
  - PPA effects from Saxoprint purchase price allocation: -0.2 million euros
  - PPA effects from Laserline purchase price allocation: -0.1 million euros
  - Laserline integration costs: -0.3 million euros

*Rounding differences may occur.*

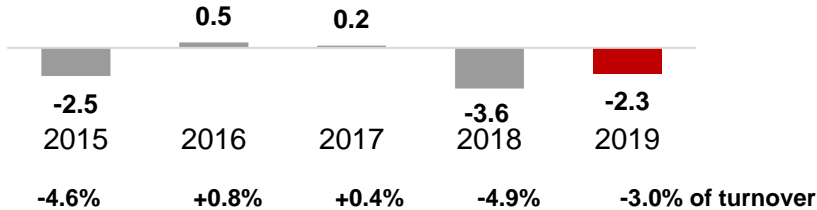
# Business segment Commercial Online-Print Q1-Q3

in Euro millions

## Turnover



## EBIT



- Commercial online printing increases by 2.4% in Q1-3. At the same time, weak LASERLINE sales, mainly as a result of price pressure, put a damper on growth. Without LASERLINE, COP continues to grow more than reported in the first nine months, in spite of the fact that price pressure in Germany continues to restrain stronger growth in general.

- Reported EBIT improves by 1.3 million euros to -2.3 million euros (Q1-3 2018: -3.6 million euros). Besides the operative progress made, the improvement in this case mainly results from lower PPA effects than in the previous year and from LASERLINE integration costs that have occurred in the previous year.
- More than anything else, weak sales-related LASERLINE income prevents COP EBIT improvement from being even greater
- Q1-3 2019 special effects: -0.4 million euros
  - PPA effects from Saxoprint purchase price allocation: -0.2 million euros
  - PPA effects from Laserline purchase price allocation: -0.2 million euros
- Previous year Q1-3 2018 special effects: -1.5 million euros
  - PPA effects from Saxoprint purchase price allocation: -0.5 million euros
  - PPA effects from Laserline purchase price allocation: -0.3 million euros
  - Laserline integration costs: -0.8 million euros

*Rounding differences may occur.*

- > COP turnover increases by 2.8% in first nine months
- > Negative LASERLINE contribution prevents EBIT from improving more

# Agenda

## 1. Results

- Photofinishing

- Commercial Online-Print

### - Retail

- Other

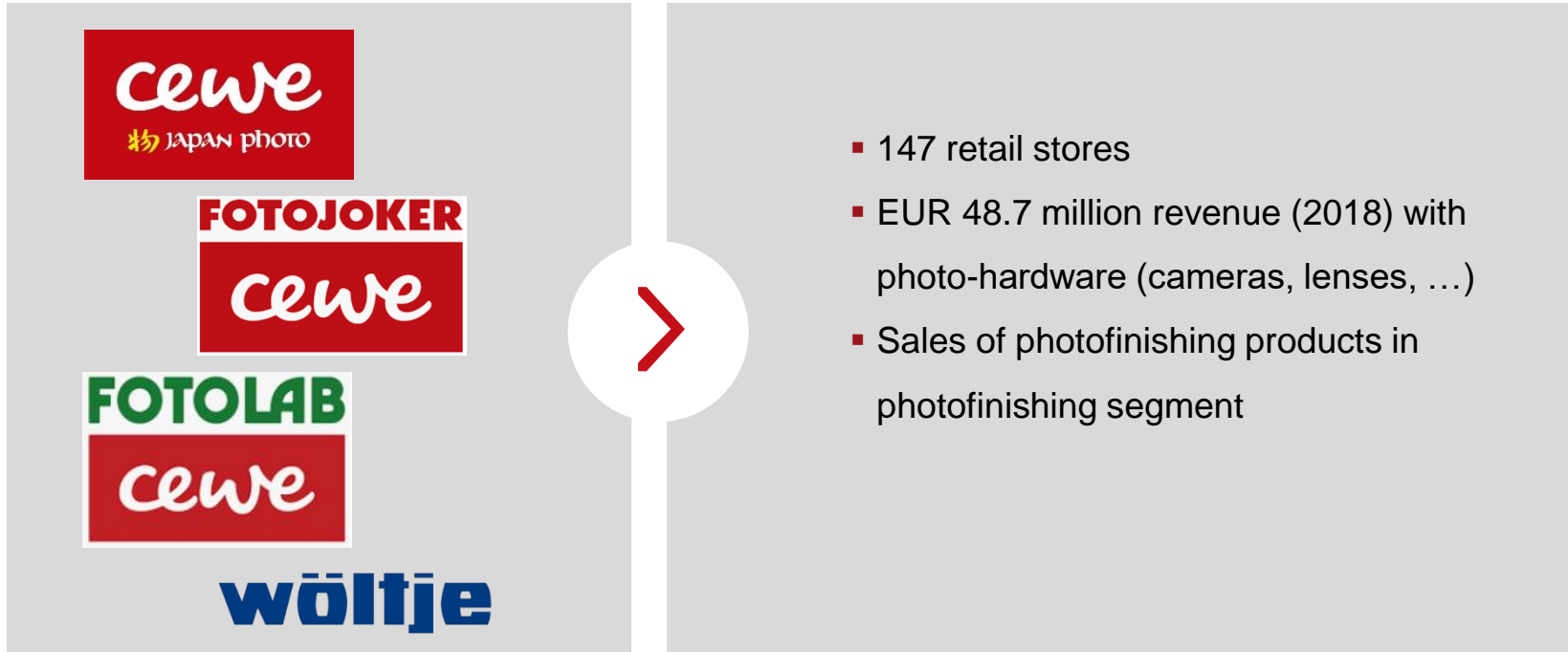
- Group

2. Financial Report

3. Outlook



# CEWE´s retail business

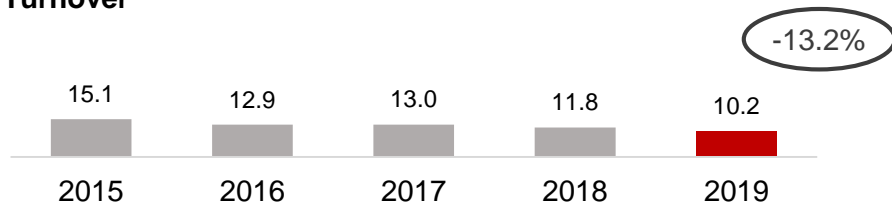


- > Retail segment contains hardware revenue only, photofinishing revenue is shown in photofinishing segment
- > Own retail business provides an excellent window to the market

# Business segment Retail\* Q3

in Euro millions

## Turnover\*



- Retail hardware sales further reduced strategically (through focussing on photofinishing business and abandoning low-margin hardware business)

## EBIT\*

Year	EBIT*
2015	-0.1
2016	0.0
2017	-0.1
2018	-0.1
2019	-0.1
	<b>-0.3%</b>
	<b>+0.2%</b>
	<b>-0.5%</b>
	<b>-0.9%</b>
	<b>-1.1% of turnover</b>

- Focus on margins sees earnings at exactly the same level as in the previous year in spite of a significant drop in turnover
- Q3 EBIT traditionally at zero or just below zero for seasonal reasons

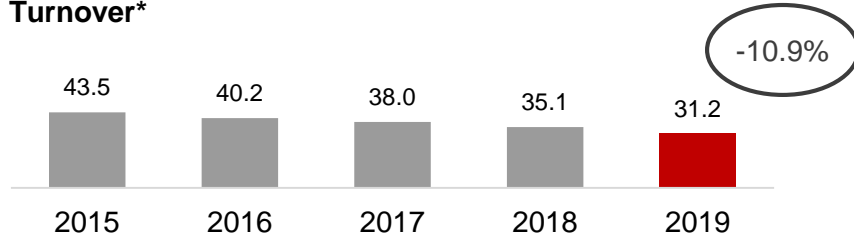
*\* Only hardware, no photofinishing .  
Rounding differences may occur*

- > Hardware turnover in Q3 reduced in line with strategy
- > Q3 EBIT negative as expected for seasonal reasons and stable in spite of a decline in turnover

# Business segment Retail\* Q1-Q3

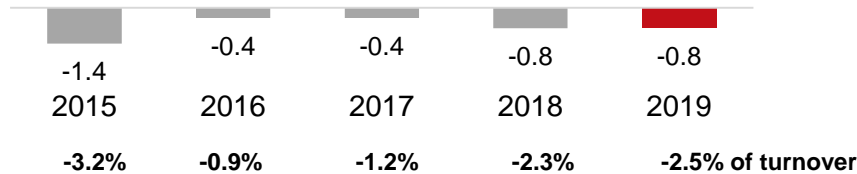
in Euro millions

## Turnover\*



- Retail hardware sales further reduced strategically (through focussing on photofinishing business and abandoning low-margin hardware business)

## EBIT\*



- Focus on margins sees earnings at exactly the same level as in the previous year in spite of a significant drop in turnover
- For seasonal reasons, EBIT traditionally negative in the first nine months of the year

*\* Only hardware, no photofinishing.  
Rounding differences may occur.*

- > Q1-3 hardware turnover reduced in line with strategy
- > EBIT at the same level as in the previous year and negative as expected for seasonal reasons



# Agenda

## 1. Results

- Photofinishing
- Commercial Online-Print
- Retail
- **Other**
- Group

## 2. Financial Report

## 3. Outlook

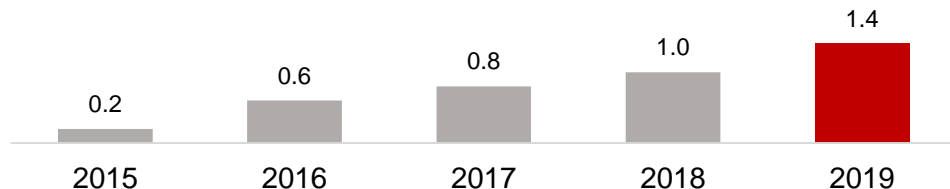


# Business segment Other Q3

in Euro millions

+42.9%

## Turnover



- The 1.4 million euros in reported turnover is to be solely allocated to futalis (Q3 2018: 1.0 million euros, +42.9%)

## EBIT



- EBIT improvement mainly results from operative progress at futalis

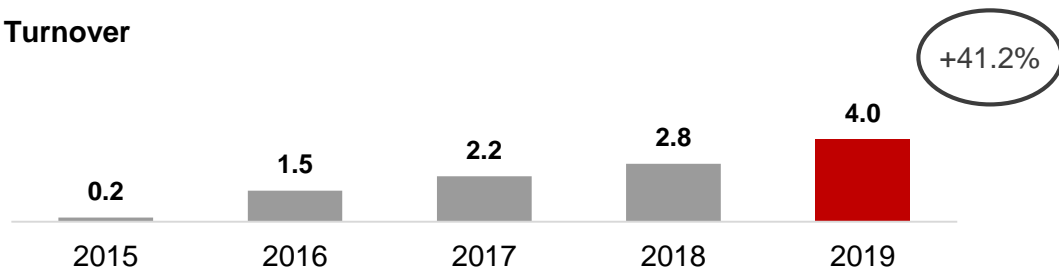
*Rounding differences may occur*

➤ **Segment for other business increases turnover and earnings mainly as a result of the positive futalis development**

# Business segment Other Q1-Q3

in Euro millions

## Turnover



Structural and corporate costs and profits arising from real estate property and the acquisition of stocks are shown in the business segment Other. *futalis* is reported in this business segment since the business activities cannot be allocated to the other business segments.

- The 4.0 million euros in reported turnover is to be solely allocated to *futalis* (Q1-3 2018: 2.8 million euros, +41.2%)

## EBIT



- EBIT improvement mainly results from operative progress at *futalis*

*Rounding differences may occur*

➤ **Segment for other business increases turnover and earnings mainly as a result of the positive *futalis* development**

# Agenda

## 1. Results

- Photofinishing
- Commercial Online-Print
- Retail
- Other

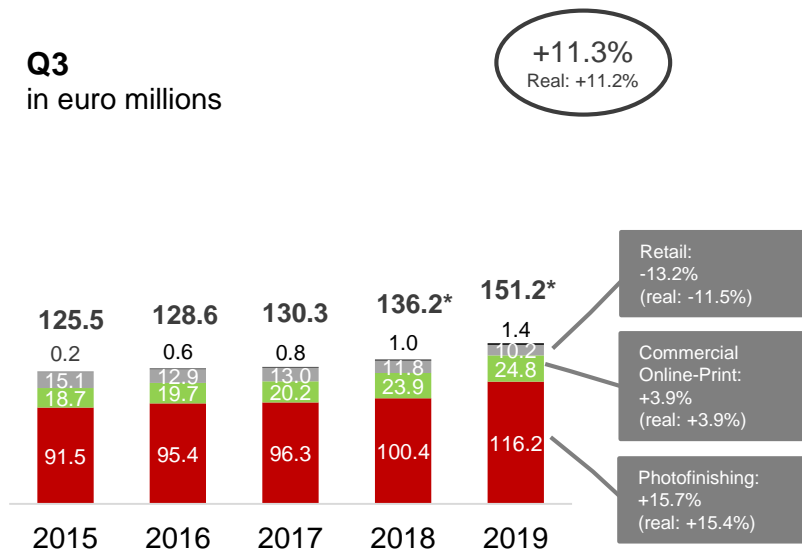
## - Group

- 2. Financial Report
- 3. Outlook



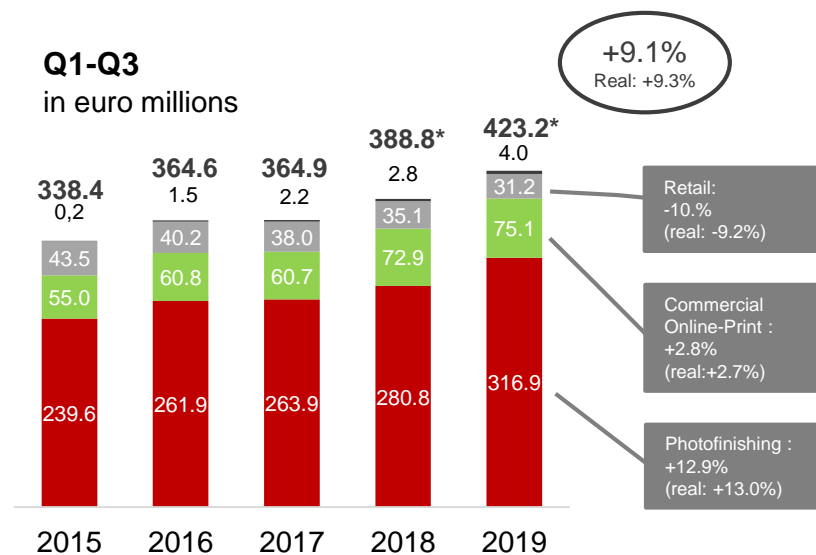
# Turnover

**Q3**  
in euro millions



■ Photofinishing ■ Commercial Online-Print ■ Retail ■ Other

**Q1-Q3**  
in euro millions



\* Acc. to IFRS 5 the CEWE Group EBIT is reported without discontinued operations futalis which is still reported within segment Others.

Rounding differences may occur

➤ **Especially segment Photofinishing accounts for growth in group turnover**

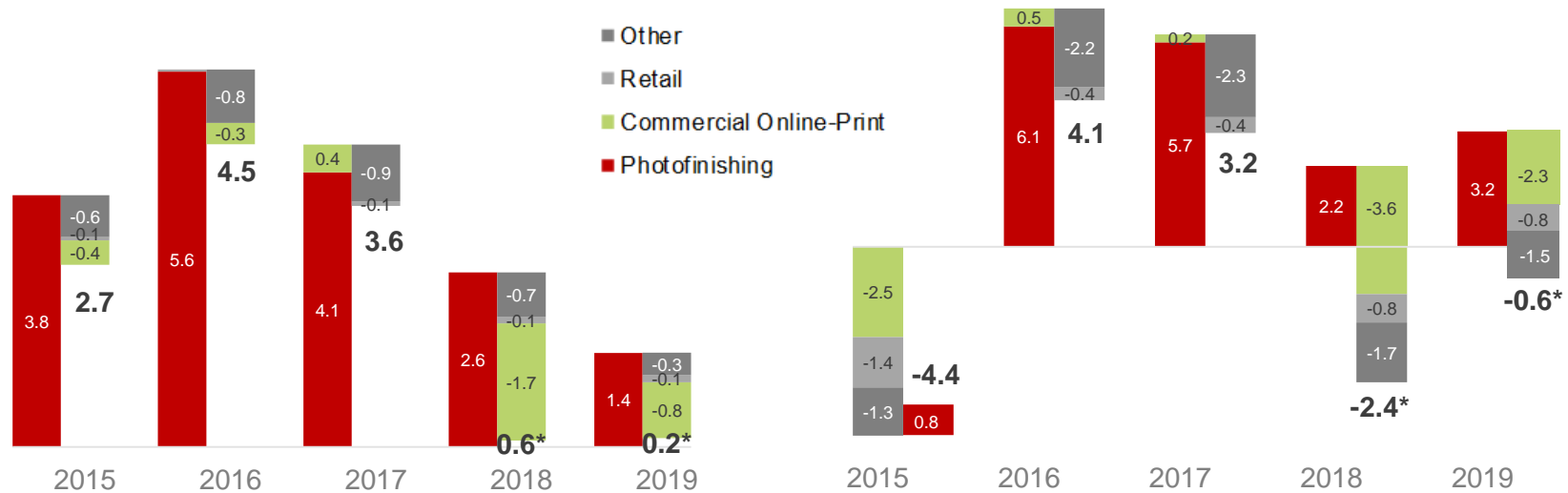
# EBIT

Q3

in euro millions

Q1-Q3

in euro millions



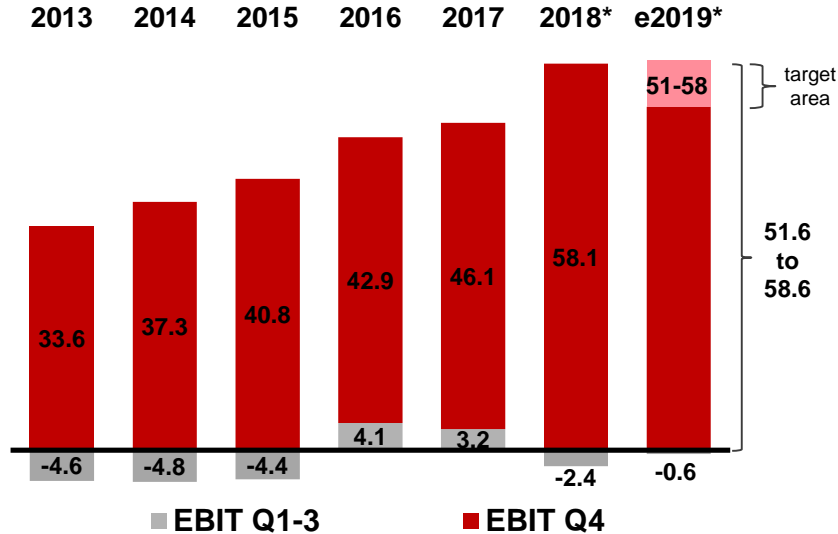
➤ EBIT exceeds previous year by improvements in segments Photofinishing and Commercial Online-Print

\* Acc. to IFRS 5 the CEWE Group EBIT is reported without discontinued operations futalis which is still reported within segment Others.

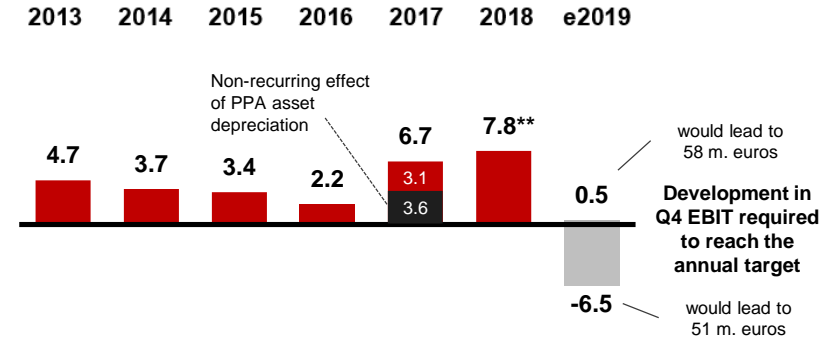
Rounding differences may occur

# EBIT CEWE Group

## Q1-3 distribution of earnings in comparison to Q4 in euro millions



## EBIT increase in Q4 in euro millions



- Q4 EBIT must increase by only 0.5 m. euros to reach the upper end of the EBIT target range
- Even a significant decrease of Q4-EBIT would lead into the targeted EBIT range for 2019

\* EBIT 2018 and 2019 acc. to IFRS 5 without the discontinued operation „futalis“

\*\* EBIT increase Q4 2018 calculated without futalis-EBIT in Q4 2017 (-4.2 euro millions)

# Agenda

## 1. Results

- Photofinishing

- Commercial Online-Print

- Retail

- Other

- Group

## 2. Financial Report

## 3. Outlook





# Consolidated profit and loss account Q3

<i>Figures in millions of euros</i>	Q3 2018	Q3 2019	Δ %	Δ m€
Revenues	136.2	151.2	11.1%	15.1
Increase / decrease in finished and unfinished goods	0.3	0.1	-74.7%	-0.2
Other own work capitalised	0.2	0.2	41.0%	0.1
Other operating income	6.1	5.4	-11.2%	-0.7
Cost of materials	-40.3	-43.6	8.2%	-3.3
<b>Gross profit</b>	<b>102.4</b>	<b>113.3</b>	<b>10.7%</b>	<b>10.9</b>
Personnel expenses	-41.0	-45.8	11.6%	-4.7
Other operating expenses	-50.7	-54.1	6.8%	-3.5
<b>EBITDA</b>	<b>10.7</b>	<b>13.4</b>	<b>25.7%</b>	<b>2.8</b>
Amortisation/Depreciation	-10.1	-13.2	31.3%	-3.2
<b>Earnings before interest, taxes (EBIT)</b>	<b>0.6</b>	<b>0.2</b>	<b>-65.6%</b>	<b>-0.4</b>
Financial income	0.0	-0.1	-643%	-0.1
Financial expenses	-0.2	-0.3	42.7%	-0.1
<b>Financial result</b>	<b>-0.2</b>	<b>-0.5</b>	<b>115%</b>	<b>-0.3</b>
<b>Earnings before taxes (EBT)</b>	<b>0.4</b>	<b>-0.3</b>	<b>-165%</b>	<b>-0.7</b>

Sales growth in photofinishing (organic and through M&A) and commercial online printing exceeds strategic reduction in retail

In 2018 profit from sale of the operation in Nuremberg

Increase in expenses driven by business increase

Increase in personnel expenses driven by acquisition of WhiteWall acquisition effect. Last year photokina, last year leases before IFRS 16

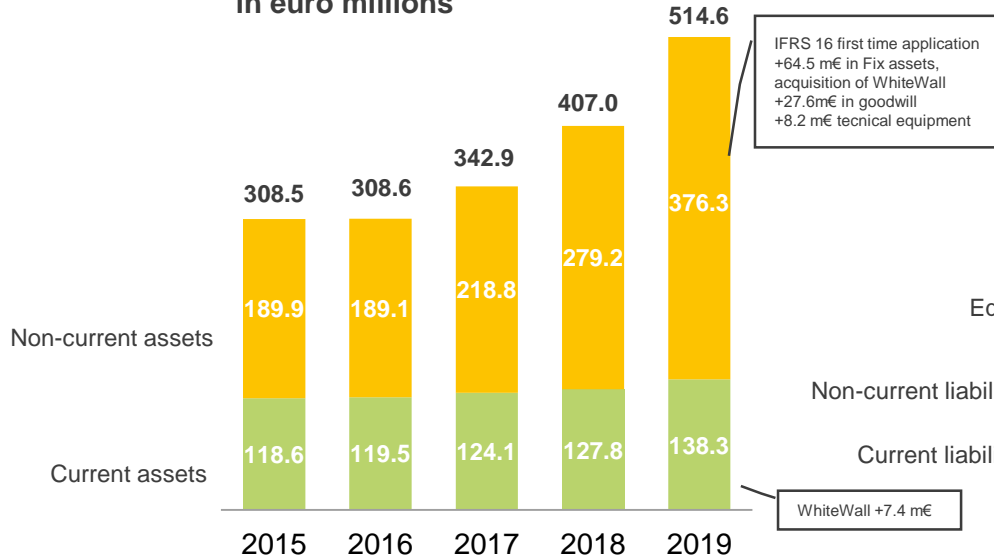
Warm up effect for christmas season and WhiteWall WhiteWall acquisition effect

Increase of depreciation caused by first time adoption of IFRS 16 (Leasing)

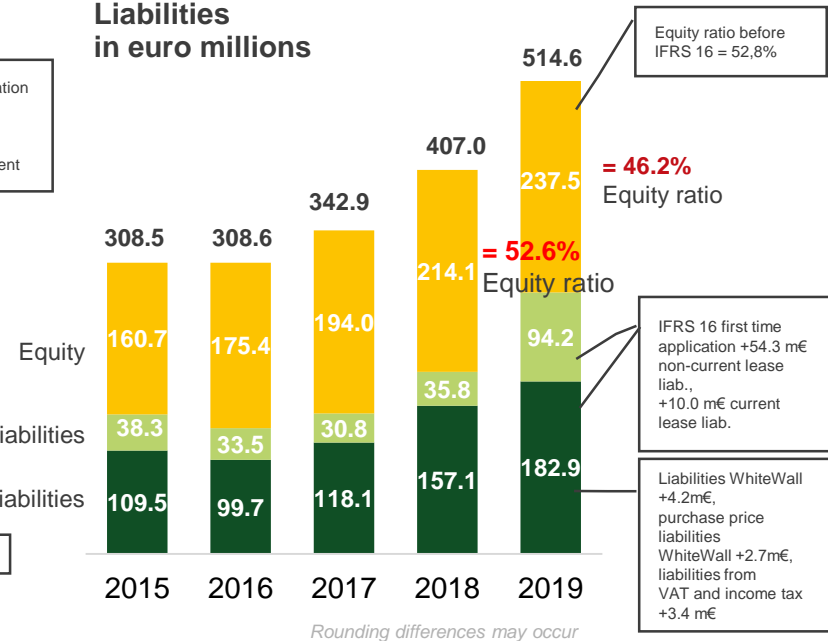
*Rounding differences may occur.*

# Balance sheet as of 30 September

## Assets in euro millions

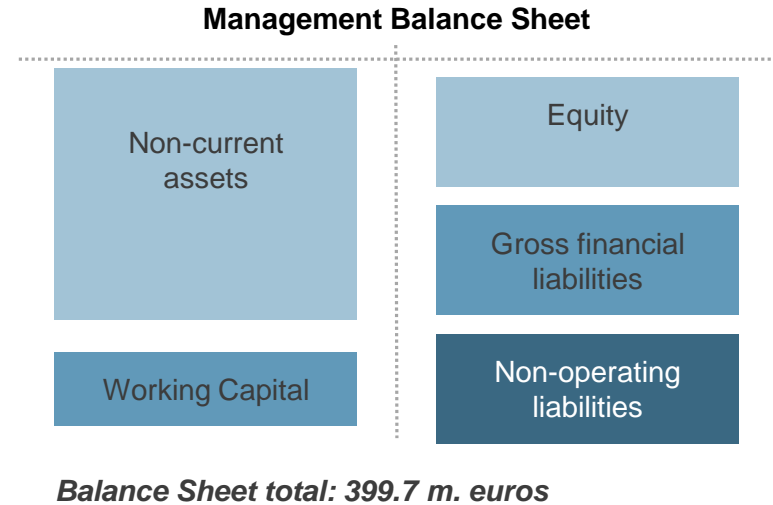
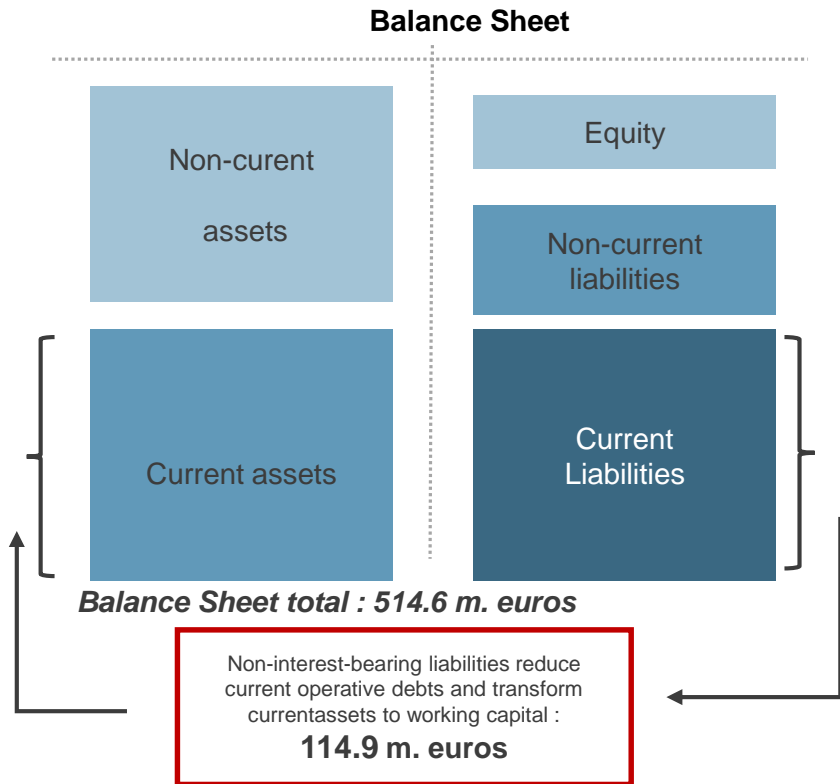


## Liabilities in euro millions



- Balance sheet total increases due to first-time IFRS 16 application and WhiteWall acquisition
- Equity ratio at 46.2% after balance sheet extension (as much as 52.8% before IFRS 16)

# From Accounting Balance Sheet to Management Balance Sheet

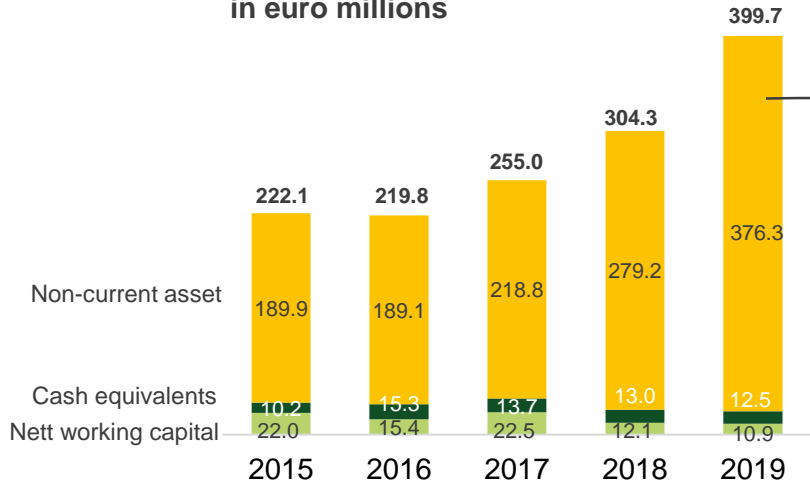


> The Balance Sheet total is reduced to capital elements „to be paid for“ (by way of dividends or interest) in the management Balance Sheet

Rounding differences might occur.

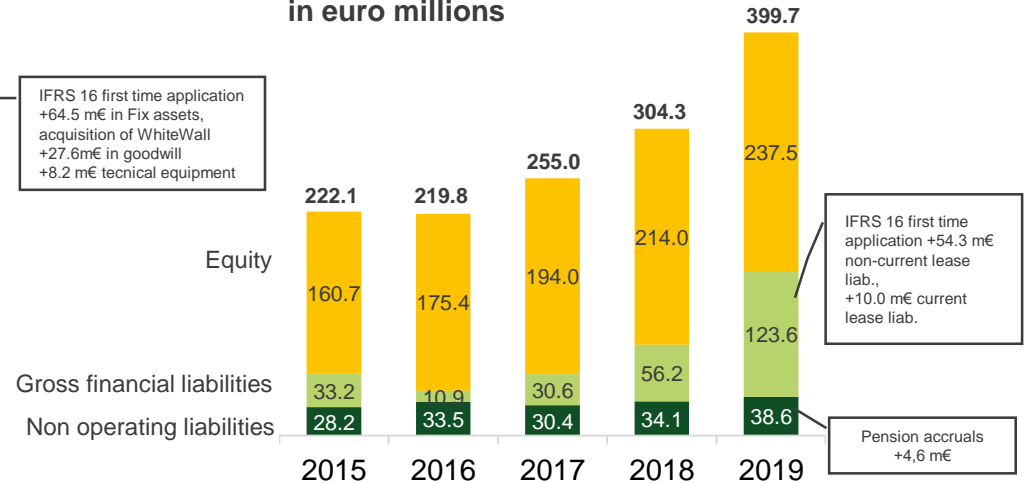
# Management balance sheet as of 30 September

Capital Employed  
in euro millions



IFRS 16 first time application  
+64.5 m€ in Fix assets,  
acquisition of WhiteWall  
+27.6m€ in goodwill  
+8.2 m€ technical equipment

Capital Invested  
in euro millions



IFRS 16 first time application +54.3 m€ non-current lease liab., +10.0 m€ current lease liab.

Pension accruals +4,6 m€

Rounding differences might occur.

- > Balance sheet total increases due to first-time IFRS 16 application and WhiteWall acquisition
- > Without IFRS 16: Gross financial debt increases only by 3.1 million Euros

# Capital Employed I – T-3

<i>Figures in millions of euros</i>	30.06.2019	30.09.2019	Δ %	Δ Mio. €	
Property, plant and equipment	222.8	222.4	-0.1%	-0.3	Investments smaller than sum of operating depreciation and depreciation of right of use assets (IFRS 16)
Investment properties	17.4	17.3	-0.7%	-0.1	
Goodwill	87.3	87.3	0.0%	0.0	
Intangible assets	28.9	27.9	-3.4%	-1.0	Less investments in software
Financial assets	6.9	6.6	-3.9%	-0.3	
Non-current financial assets	1.3	1.3	4.4%	0.1	Fair value accounting of financial investments
Non-current other receivables and assets	0.2	0.2	-20.2%	0.0	
Deferred tax assets	13.3	13.3	-0.1%	0.0	
<b>Non-current assets</b>	<b>378.0</b>	<b>376.3</b>	<b>-0.5%</b>	<b>-1.7</b>	Strong business leads to stable inventories in spite of stocking up for Christmas season
Inventories	45.6	45.3	-0.6%	-0.3	
Current trade receivables	43.5	44.1	1.3%	0.6	Slight increase by business volume and decreased days of sales outstanding
<b>Operating gross working capital</b>	<b>89.1</b>	<b>89.4</b>	<b>0.4%</b>	<b>0.3</b>	
Current trade payables	54.2	60.1	11.0%	6.0	
<b>Operating net working capital</b>	<b>34.9</b>	<b>29.3</b>	<b>-16.2%</b>	<b>-5.7</b>	Business driven increase by sales growth as well as by stocking up for Christmas season

Rounding differences might occur.

# Capital Employed II – T-3

<i>Figures in millions of euros</i>	30.06.2019	30.09.2019	Δ %	Δ Mio. €	
Assets held for sale	2.9	3.1	4.7%	0.1	
Current receivables from income tax refunds	12.1	15.1	25.2%	3.0	Accounting of tax prepayments at balance sheet date
Current financial assets	3.6	4.4	24.2%	0.9	
Other Current receivables and assets	11.3	13.8	22.4%	2.5	Mainly increase of VAT receivables
<b>Other gross working capital</b>	<b>29.8</b>	<b>36.4</b>	<b>22.0%</b>	<b>6.6</b>	
Current tax liabilities	8.1	7.3	-10.0%	-0.8	
Current other accruals	3.9	4.3	10.5%	0.4	Reduction by tax payments
Current financial liabilities	11.8	12.2	3.0%	0.4	
Current other liabilities	29.4	30.5	3.8%	1.1	
Liabilities held for sale	0.7	0.5	-24.1%	-0.2	Increase of payroll liabilities for Christmas bonuses and performance-related bonuses
<b>Other net working capital</b>	<b>-24.0</b>	<b>-18.4</b>	<b>-23.5%</b>	<b>5.6</b>	
Operating net working capital	34.9	29.3	-16.2%	-5.7	
Other net working capital	-24.0	-18.4	-23.5%	5.6	
<b>Net working capital</b>	<b>10.9</b>	<b>10.9</b>	<b>-0.1%</b>	<b>0.0</b>	
Non-current assets	378.0	376.3	-0.5%	-1.7	
Net working capital	10.9	10.9	-0.1%	0.0	
Cash and cash equivalents	12.0	12.5	3.9%	0.5	Free Cash flow increases cash and cash equivalents
<b>Capital employed</b>	<b>400.9</b>	<b>399.7</b>	<b>-0.3%</b>	<b>-1.2</b>	

Rounding differences might occur.

# Capital Invested – T-3

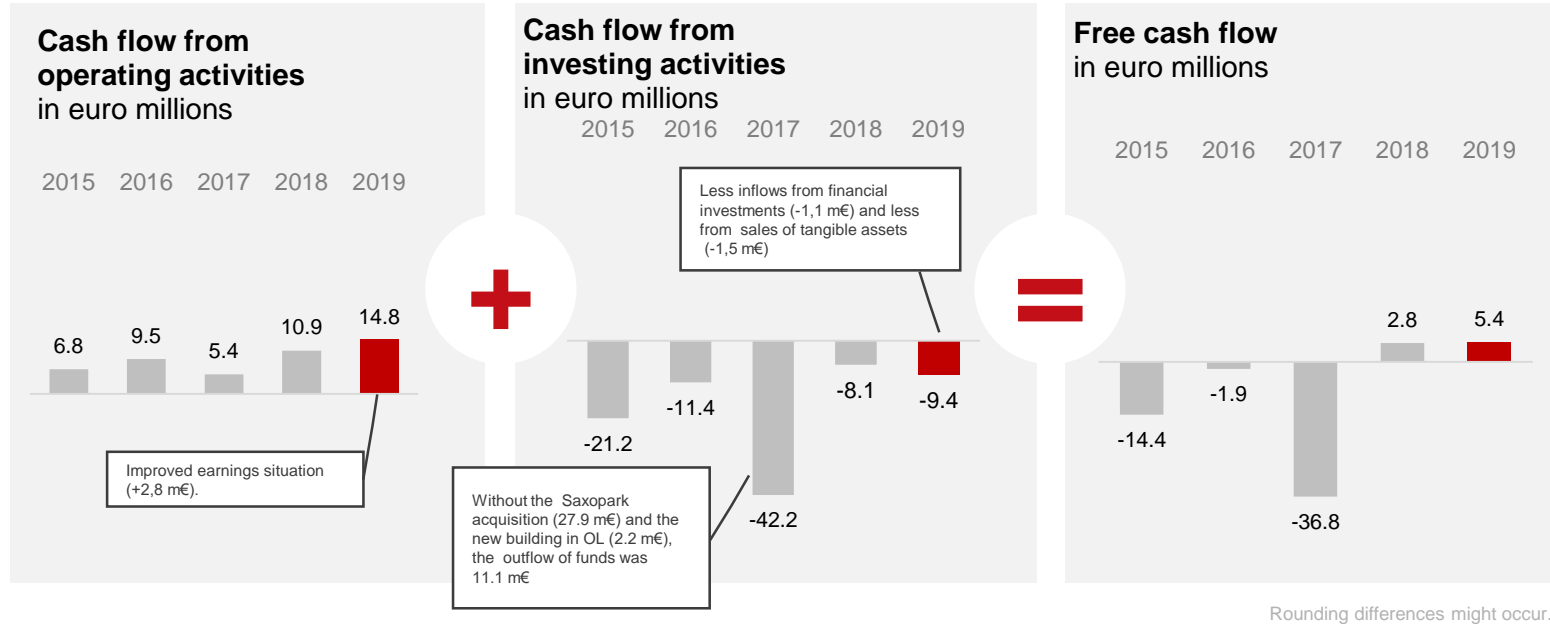
<i>Figures in millions of euros</i>	30.06.2019	30.09.2019	Δ in %	Δ in Mio. €
<b>Equity</b>	<b>235.9</b>	<b>237.5</b>	<b>0.7%</b>	<b>1.6</b>
Non-current accruals for pensions	33.0	33.1	0.5%	0.2
Non-current deferred tax liabilities	2.6	2.4	-6.7%	-0.2
Non-current other accruals	0.6	0.6	-1.3%	0.0
Non-current financial liabilities	2.0	1.9	-7.9%	-0.2
Non-current other liabilities	0.6	0.6	-1.9%	0.0
<b>Non-operating liabilities</b>	<b>38.8</b>	<b>38.6</b>	<b>-0.5%</b>	<b>-0.2</b>
Non-current interest-bearing financial liabilities	1.5	1.2	-14.4%	-0.2
Non-current leasing liabilities	55.7	54.3	-2.4%	-1.4
Current interest-bearing financial liabilities	59.1	58.0	-1.8%	-1.1
Current leasing liabilities	10.0	10.0	-0.1%	0.0
<b>Gross financial liabilities</b>	<b>126.2</b>	<b>123.6</b>	<b>-2.1%</b>	<b>-2.6</b>
<b>Capital invested</b>	<b>400.9</b>	<b>399.7</b>	<b>-0.3%</b>	<b>-1.2</b>

Reclassification to current leasing liabilities

Repayment of short term financing liabilities

Rounding differences might occur.

# Free cash flow Q3



- > Cash flow from operative business mainly increased as a result of a positive development in business
- > Reduced inflows from asset sales accompanied by stable investments in fixed assets



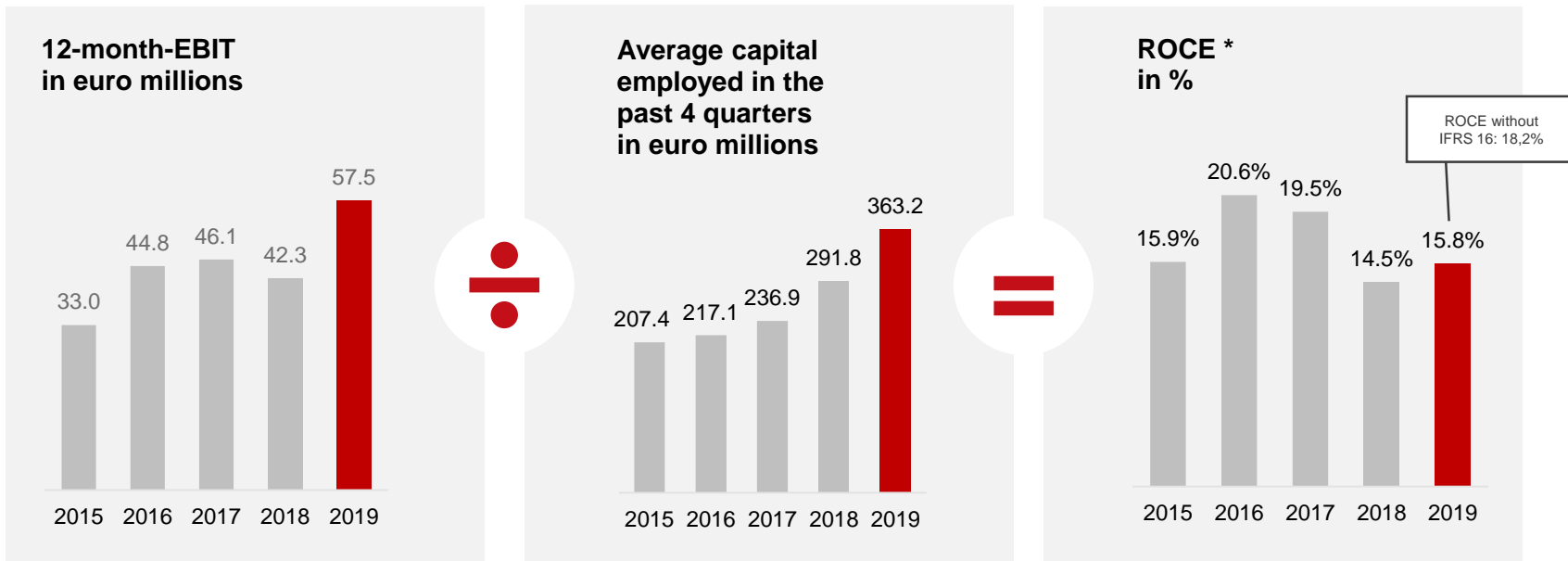
# Consolidated free cash flow Q3

<i>Figures in millions of euros</i>	Q3 2018	Q3 2019	Δ %	Δ Mio. €	
EBITDA	10.7	13.4	25.7%	2.8	(+) Improved earnings situation
Non-cash factors	-2.1	-1.0	54.3%	1.1	(+) Decrease of trade debtors
Decrease (+) / increase (-) in operating net working capital	1.5	5.7	287.9%	4.2	(+) Increase of trade payables due to stocking-up for Christmas season
Decrease (+) in other net working capital (excluding income tax items)	4.7	-0.5	109.7%	-5.1	(-) Increase of VAT refunds
Taxes paid	-3.8	-2.9	24.2%	0.9	
Interest received	0.0	0.0	157.1%	0.0	
<b>Cash flow from operating activities</b>	<b>10.9</b>	<b>14.8</b>	<b>35.8%</b>	<b>3.9</b>	
Outflows from investments in fixed assets	-11.3	-10.2	-9.6%	1.1	(+) Less investments in fixed assets
Outflows (-) / inflows (+) from investments in financial assets	2.0	0.8	-57.0%	-1.1	(+) Less inflows from financial assets (previous year: sale of remaining shares of a start-up company)
Inflows (+) outflow (-) from the sale of longterm financial assets	-0.3	-0.1	-80.1%	0.2	
Inflows from the sale of property, plant and equipment and intangible assets	1.5	0.0	-100.0%	-1.5	
<b>Cash flow from investing activities</b>	<b>-8.1</b>	<b>-9.4</b>	<b>-16.3%</b>	<b>-1.3</b>	
<b>Free cash flow</b>	<b>2.8</b>	<b>5.4</b>	<b>91.9%</b>	<b>2.6</b>	

Rounding differences might occur.

# ROCE

as of September 30



Rounding differences might occur.

- ROCE sees earnings-induced increase in spite of the rise in the average capital employed (due to the acquisition of WhiteWall and the first-time application of IFRS 16).
- ROCE before IFRS 16 amendment even as high as 18.2%

# Agenda

## 1. Results

- Photofinishing

- Commercial Online-Print

- Retail

- Other

- Group

## 2. Financial Report

## 3. Outlook



# CEWE Group Targets 2019

Targets		2018	Target 2019	Change
Photos	billion photos	2.23	2.22 to 2.26	0% to +2%
CEWE PHOTO BOOK	millions	6.18	6.24 to 6.31	1% to 2%
Investments*	Euro millions	49.6	around 55	
<b>Revenue</b>	<b>Euro millions</b>	<b>653.3</b>	<b>675 to 710</b>	<b>3% to 9%</b>
<b>EBIT</b>	<b>Euro millions</b>	<b>53.7</b>	<b>51 to 58</b>	<b>-5% to 8%</b>
EBT	Euro millions	53.3	50.5 to 57.5	-5% to 8%
Earnings after tax	Euro millions	36.3	35 to 39	-5% to 9%
Earnings per share	Euro	5.06	4.74 to 5.40	-6% to 7%

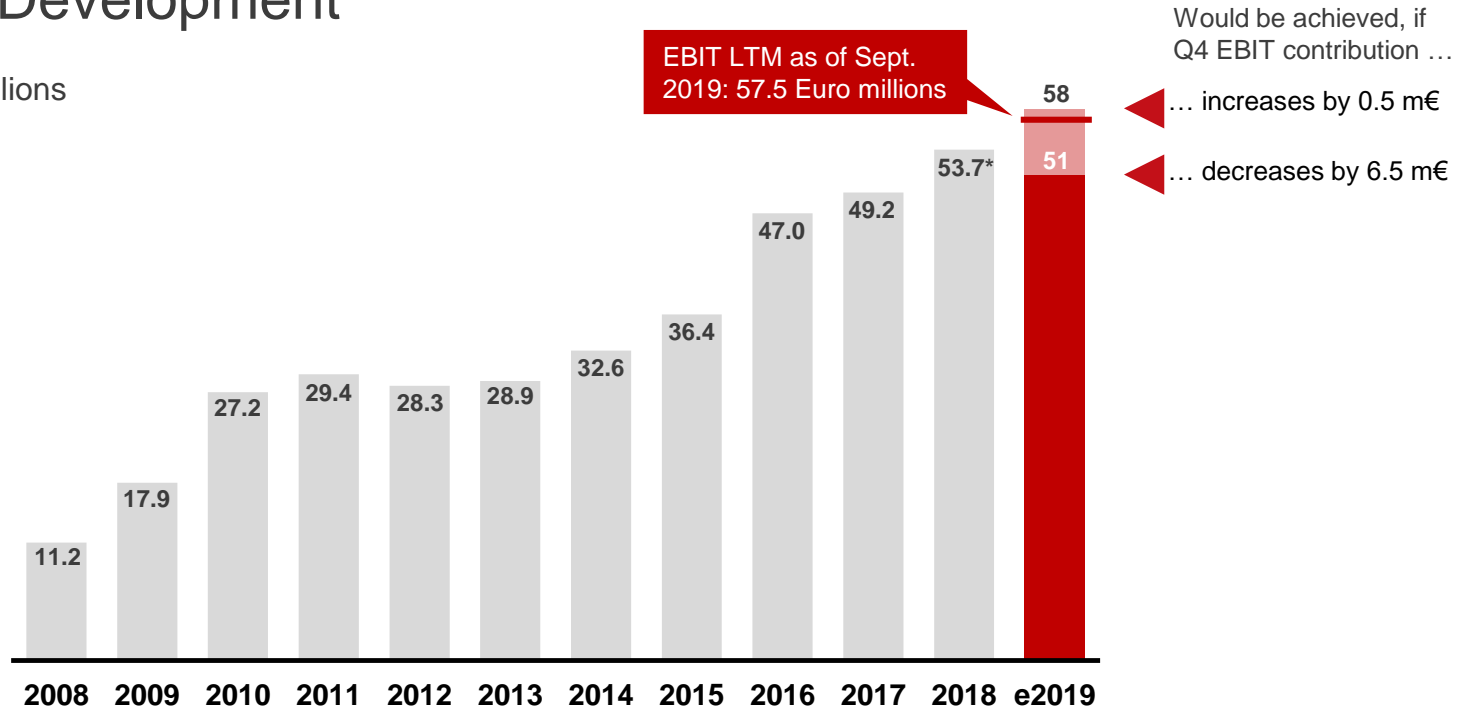
\* Operative investments without potential investments in expanding the business volume and, for example, corporate acquisitions and/or additional customer-base acquisitions

Rounding differences might occur.

➤ **Q3 confirms the target: EBIT is expected to rise to up to 58 Euro millions in 2019**

# EBIT Development

in Euro millions



- > EBIT-target for 2019 continues the trend of increasing earnings ...
- > ... and appears reachable

\* 2018 reported EBIT, updated EBIT without futalis acc. to IFRS 5 at 55.7 euro millions

# Q&A-Session

Q3 2019 Analyst Conference Call

November 13, 2019

The logo for Cewe, featuring the word "cewe" in a white, lowercase, rounded script font centered on a red background.