

Results Q2 2018

Analyst Conference Call

CEWE Stiftung & Co. KGaA

Oldenburg

August 9, 2018



Europe's
No.1
photo book

my
cewe photobook

www.cewe-photoworld.com

Our Beach Paradise

The advertisement features a smiling woman with blonde hair holding an open photo book. The book's left page shows a young girl in a blue dress on a beach. The right page shows two children and has the text 'Our Beach Paradise'. A red box in the top left corner of the ad says 'Europe's No.1 photo book'. The background is a bright, blurred indoor setting with large windows. The bottom of the ad is a solid red area with the CEWE logo and website address.

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.



cewe



Dr. Olaf Holzkämper
CFO

Dr. Christian Friege
CEO

At a glance: H1 2018

- Without the expected negative contributions to earnings from the acquisition of Cheerz and Laserline, the **CEWE Group EBIT for the period** up to mid-year is **at the same level as in the previous year**
- Including the contributions of Cheerz and Laserline, **reported Group EBIT** is reduced by 2.9 million euros to **-3.4 million euros**
- Besides the expected negative Laserline-EBIT, the **EBIT for Commercial Online-Print has fallen short** of that of the previous year, also due to price pressure in Germany, weak UK business and cost increases
- Strong development in core business: **photofinishing EBIT maintains organic growth** (without Cheerz) in comparison with the previous year
- H1 **clearly confirms the annual targets** set for 2018: EBIT in the range of 48 to 54 million euros expected

Highlights Q2 2018		Q2 2017	Q2 2018	Comment
Photofinishing				
Sales Volume	in photo m.	424	432	<ul style="list-style-type: none"> At 1.9% higher than 2017, volume is more than in line with annual target Additional sales through Cheerz, added-value products drive increase in turnover organically One-time item: PPA-effect (DeinDesign)
Turnover	in EUR m.	82.1	85.9	
EBIT		0.2	-1.6	
EBIT w/o one-offs		-0.1	-1.5	
Commercial Online-Print				
Turnover	in EUR m.	19.9	24.7	<ul style="list-style-type: none"> Sales increase through acquisition of Laserline and organic growth EBIT carries expected negative contribution of Laserline and cost increases One-time items: PPA-effect (Saxoprint) and integration costs of Laserline
EBIT		-0.3	-1.6	
EBIT w/o one-offs		-0.2	-1.2	
Retail				
Turnover	in EUR m.	13.2	12.4	<ul style="list-style-type: none"> Focus on profitability and photofinishing reduce sales Due to seasonality EBIT traditionally negative in Q2
EBIT		-0.1	-0.2	
Other				
Turnover	in EUR m.	0.7	1.0	<ul style="list-style-type: none"> Segment Other covers administrative costs for company structure, supervisory board costs, IR costs, real estate, futalis
EBIT		-0.9	-0.6	
Group				
Turnover	in EUR m.	116.0	123.9	<ul style="list-style-type: none"> Group turnover up due to acquisitions and organic growth in photofinishing and commercial online printing EBIT carries negative contribution of acquisitions as expected
EBIT		-1.0	-4.0	
EBIT w/o one-offs		-1.1	-3.5	
Free Cash Flow	in EUR m.	-8.3	-10.3	<ul style="list-style-type: none"> Cash Flow from operative business and investment activities decrease free cash flow
ROCE	%	20.5	16.5	<ul style="list-style-type: none"> ROCE still strong, reduced due to acquisitions
Equity ratio	%	63.4	54.9	<ul style="list-style-type: none"> Solid equity ratio

Rounding differences might occur.

➤ **Q2 confirms the annual targets for 2018**

Agenda

1. Results

- Photofinishing

- Commercial Online-Print

- Retail

- Other

- Group

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

3. Outlook

4. Q&A

mein
cewe fotobuch



**„Best Photo Print Service
Worldwide“**

Refinement: Various Formats and Paper Qualities



➤ Refinements available for more hard cover formats and on premium matt paper

Refinement: Various Formats and Paper Qualities



➤ Refinements available for more hard cover formats and on premium matt paper

photokina

IMAGING UNLIMITED



26.–29. SEPTEMBER 2018
KÖLN

Come and visit us!

Hall 4.2, Aisle A, Stand 20

Photos Q2

Photos from films
in millions

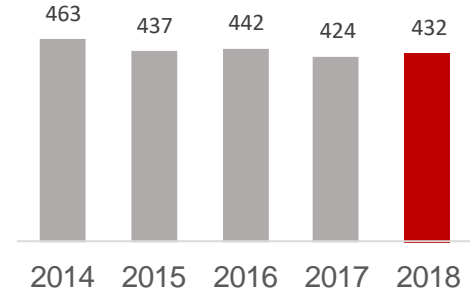
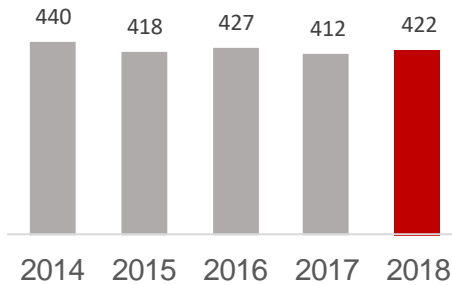
-12.2%

Digital photos
in millions

+2.3%

Photos total
in millions

+1.9%
Target 2018:
-3% to -2%



➤ Q2 volume development slightly better than expected full year development

Rounding differences may occur.

Photos H1

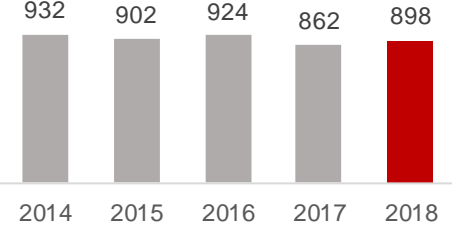
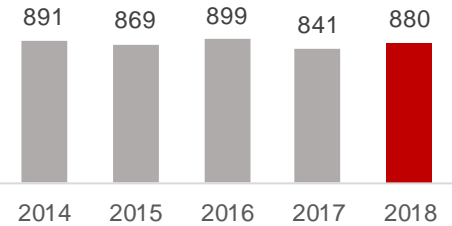
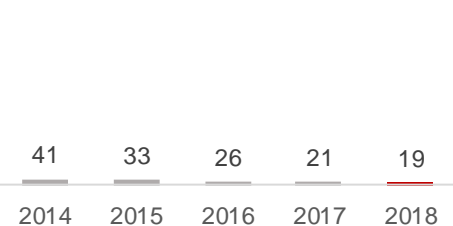
Photos from films in millions



Digital photos in millions



Photos total in millions

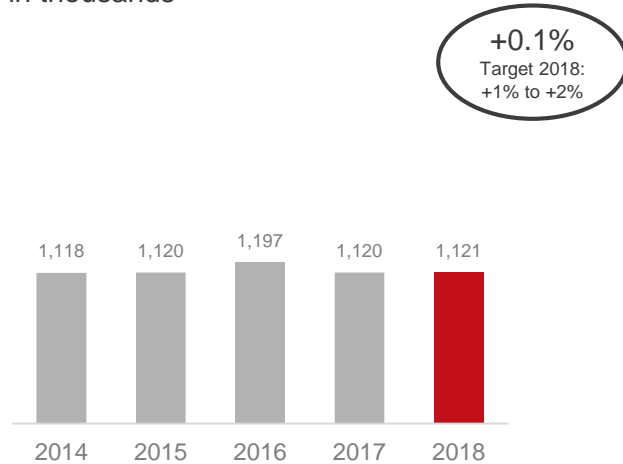


> H1 volume exceeds expected range

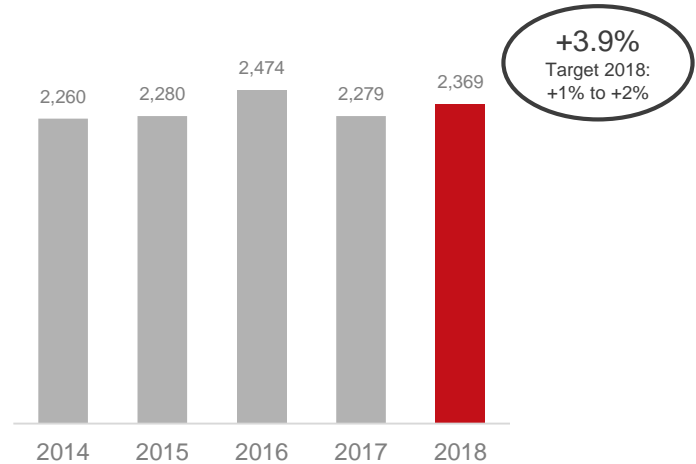
Rounding differences may occur.

CEWE PHOTOBOOK

Number of CEWE PHOTOBOOKS Q2
in thousands



Number of CEWE PHOTOBOOKS H1
in thousands



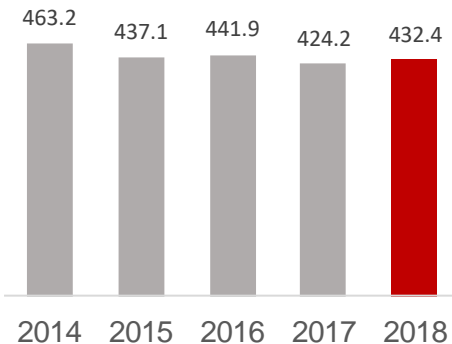
Rounding differences might occur.

- **Seasonal shift, extremely hot (not order-friendly) weather conditions and Football World Cup influence Q2 volume**
- **H1 volume exceeds scheduled annual target corridor**

Value of Photos Q2

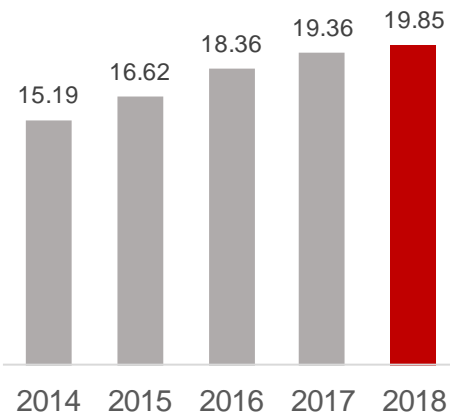
**Total prints
in millions**

+1.9%



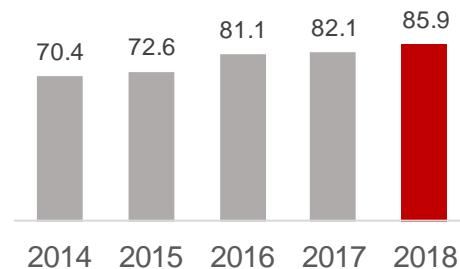
**Value per photo
Turnover / photo
(Euro cent / photo)**

+2.5%



**Turnover Photofinishing
Q2
in Euro millions**

+4.5%



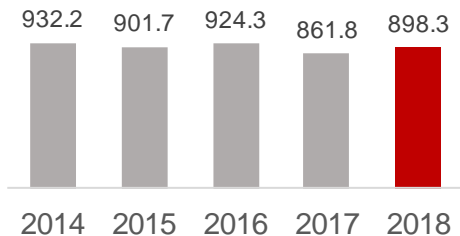
➤ **Rising share of value-added-products increases turnover per photo**

Rounding differences may occur.

Value of Photos H1

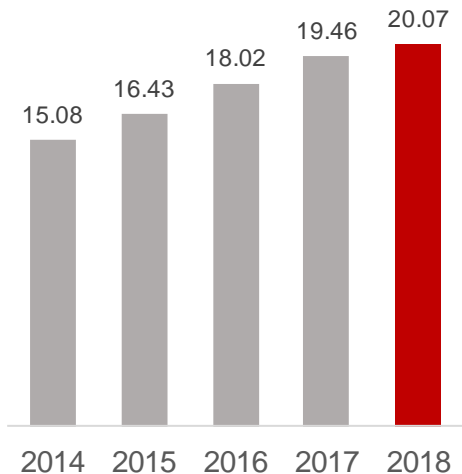
Total prints
in millions

+4.2%



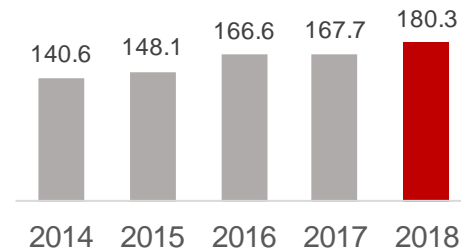
Value per photo
Turnover / photo
(Euro cent / photo)

+3.2%



Turnover photofinishing
Q1-2
in Euro millions

+7.5%

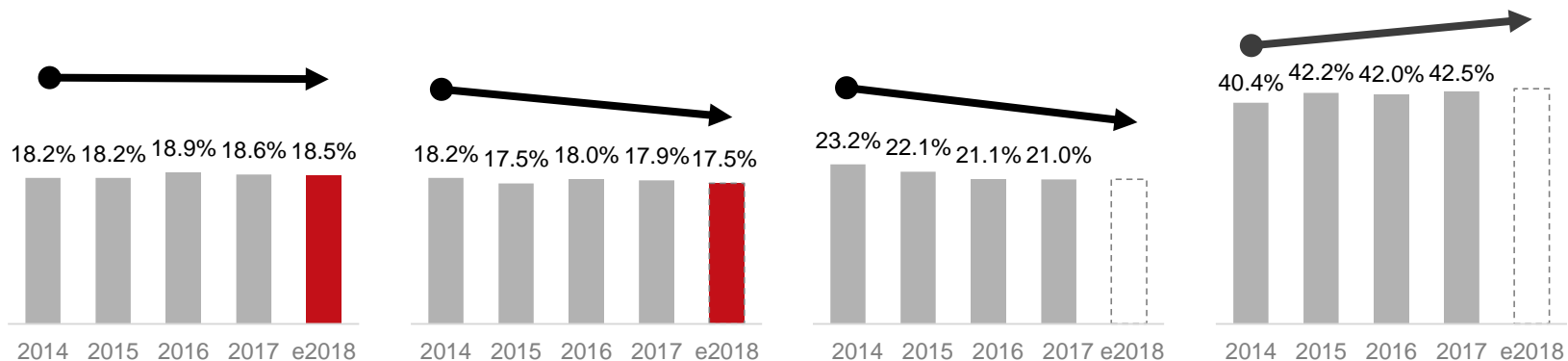


➤ **Rising share of value-added-products increases turnover per photo**

Rounding differences may occur.

Shares in Turnover by Quarter – Photofinishing

Seasonal distribution: CEWE 2014 to 2018 – Share in turnover by quarter as a percentage



Turnover target 2018
Approx.
475 – 510 m€*

Q1 Target
87.9 – 94.4 Euro mill.

Q1 Actual
94.5 Euro mill. ✓

Q2 Target
83.1 – 89.3 Euro mill.

Q2 Actual
85.9 Euro mill. ✓

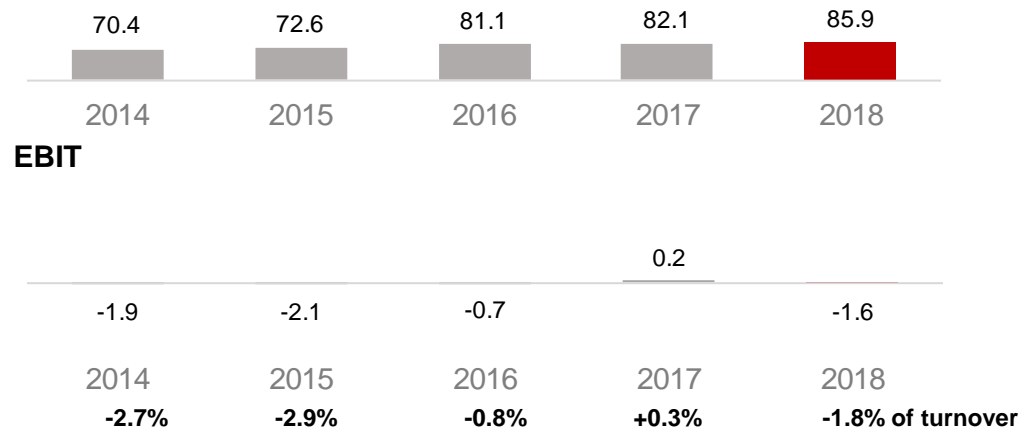
* Photofinishing turnover approx. on previous year's level (2017: 459.0 Euro mill.). Planned group turnover w/o target turnover of segments retail, commercial online-print and other. Rounding differences may occur.

Business segment Photofinishing Q2

in Euro millions

Turnover

+4.5%



- Cheerz acquisition sees Q2 growth
- Ongoing seasonal shift, extremely hot weather conditions and Football World Cup do not encourage consumers to place orders: slight organic decrease in turnover

Q2 2018 one-off effects

- PPA effects from DeinDesign purchase price allocation: -0.1 million euros
- Negative contribution to earnings by Cheerz as expected

Previous year Q2 2017 one-off effects

- PPA effects from DeinDesign purchase price allocation: -0.1 million euros
- One-off earnings from sale of property in Denmark: 0.5 million euros

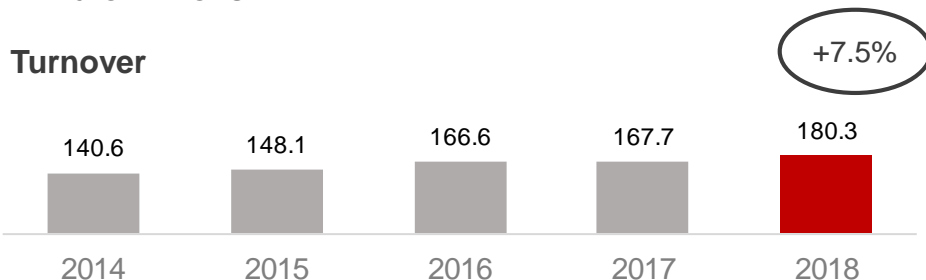
- > Photofinishing grows through Cheerz acquisition
- > Seasonal shift, extremely hot weather and Football World Cup see slight organic decrease in core business in Q2

Rounding differences might occur.

Business segment Photofinishing H1

in Euro millions

Turnover



EBIT



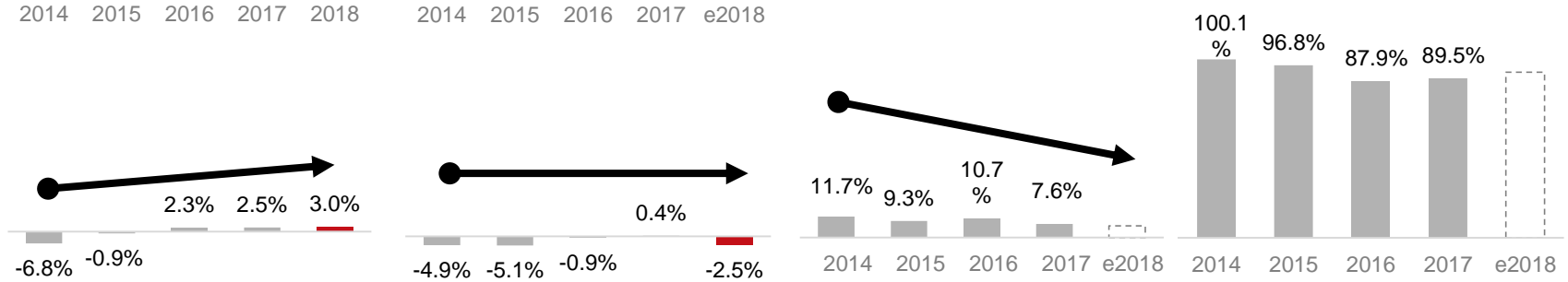
- H1 grows organically and through the Cheerz acquisition
- Q1 with excellent organic growth, slight organic decline in turnover in Q2
- H1 2018 one-off effects
 - PPA effects from DeinDesign purchase price allocation: -0.2 million euros
 - Negative contribution to earnings by Cheerz as expected
- Previous year H1 2017 one-off effects
 - PPA effects from DeinDesign purchase price allocation: -0.2 million euros
 - One-off earnings from sale of property in Denmark: 0.5 million euros

- > Photofinishing grows organically and through Cheerz acquisition
- > Without Cheerz EBIT even stronger than in previous H1

Rounding differences might occur.

EBIT before Restructuring by Quarter – Photofinishing

Seasonal distribution: CEWE 2014 to 2018 – EBIT share by quarter as a percentage



**EBIT target 2018
Photofinishing**
46.9 – 52.9 Euro mill.*

Q1 Target
+1.4 – +1,6 Euro mill.

Q1 Actual
+1.9 Euro mill. ✓

Q2 Target
- 1,2 - -1,3 Euro mill.

Q2 Actual
-1,6 Euro mill.

* 48.0-54.0 Euro mill. group EBIT-target less planned retail, online printing and from segment Others. Rounding differences may occur.

➤ **Photofinishing EBIT slightly below expected range (greater decline in demand due to extremely warm weather conditions in Q2 and negative Cheerz-EBIT contribution)**

Agenda

1. Results

- Photofinishing

- Commercial Online-Print

- Retail

- Other

- Group

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

3. Outlook

4. Q&A

The CEWE online print brands

cewe-print.de
Ihr Online Druckpartner

SAXOPRINT
Where print meets passion.

viaprinto

LASERLINE

Flyer



Brochures



Folder



Business Cards

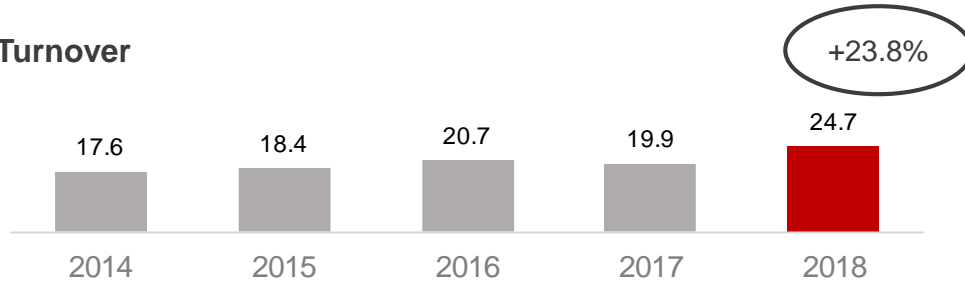


- Portals focus on different customer groups e.g. through designs, order processes or product portfolios

Business segment Commercial Online-Print Q2

in Euro millions

Turnover



- Mainly Laserline acquisition sees turnover in the second quarter rise, also organic growth
- Price pressure in Germany continues to restrain stronger growth
- UK business remains weakened by Brexit

EBIT



- EBIT currently still absorbs expected negative contribution to EBIT from LASERLINE (of which -0.3 million euros for integration costs)
- Increased material costs (increase in price of paper) and higher logistics costs (express deliveries in order to guarantee promised delivery times) with a negative effect on costs
- EBIT before special items (integration costs LASERLINE and PPA effects) amounts to -1.2 million euros (Q2 2017: -0.2 million euros)

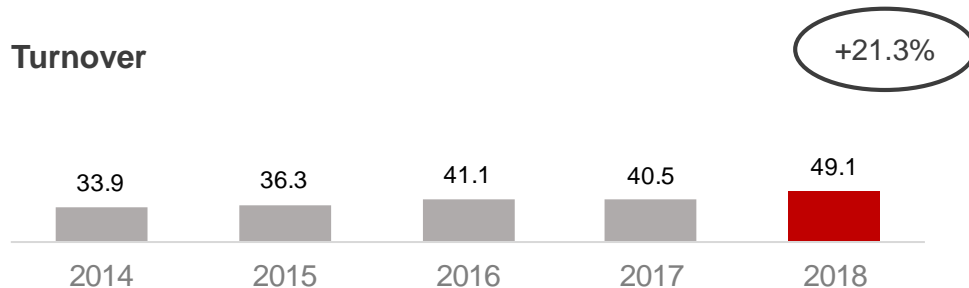
Rounding difference might occur.

➤ **COP growth in Q2, through LASERLINE acquisition and also organically in spite of ongoing Brexit-induced decreases in UK and price competition in Germany**

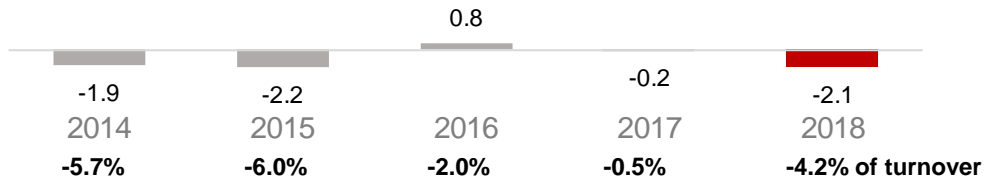
Business segment Commercial Online-Print H1

in Euro millions

Turnover



EBIT



Rounding difference might occur.

- > Majority of growth in revenue from LASERLINE acquisition
- > Commercial online printing continues to battle with Brexit-induced UK weakness and price pressure in Germany

- Mainly Laserline acquisition sees turnover in the first half-year period rise, also slight organic growth
 - Price pressure in Germany continues to restrain stronger growth
 - UK business remains weakened by Brexit
-
- EBIT currently still absorbs negative contribution to EBIT from LASERLINE (of which -0.5 million euros for integration costs)
 - Increased material costs (increase in price of paper) and higher logistics costs (express deliveries in order to guarantee promised delivery times) with a negative effect on costs
 - EBIT before special items (integration costs LASERLINE and PPA effects) amounts to -1.3 million euros (Q2 2017: 0.2 million euros)

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CEWE´s retail business



FOTOLAB

FOTOJOKER

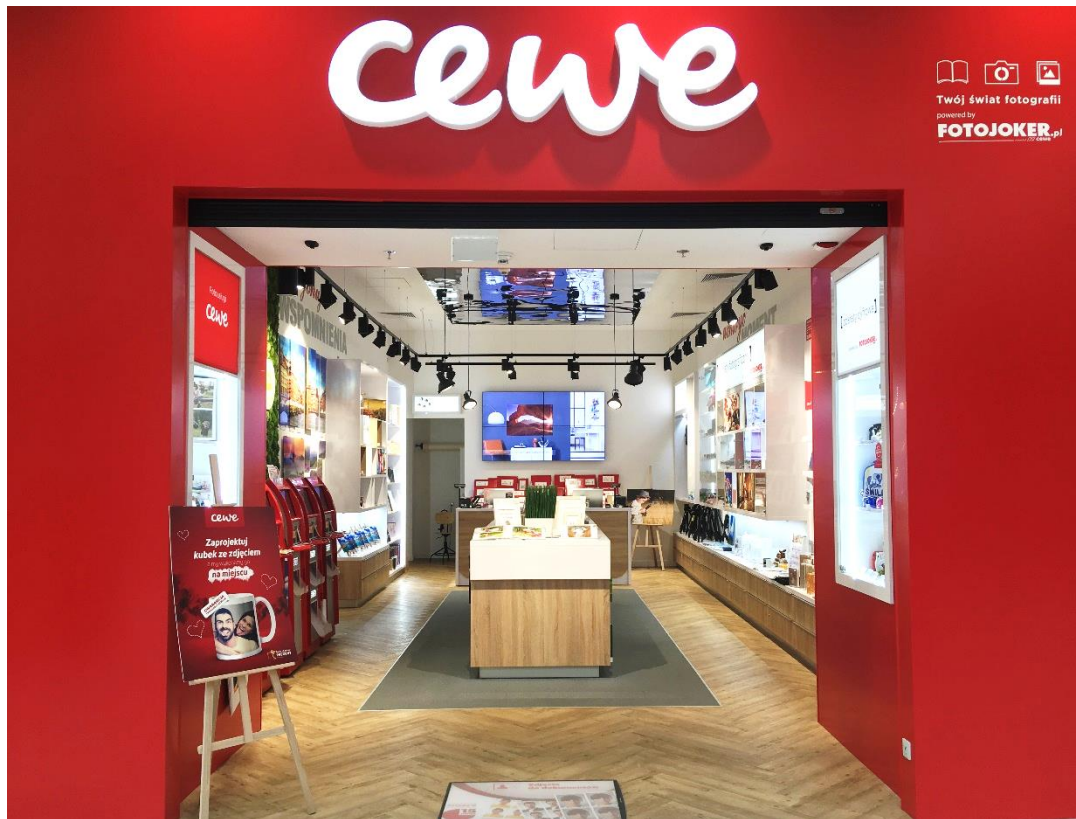
wöltje



- 146 retail stores
- EUR 53.0 million revenue (2017) with photo-hardware (cameras, lenses, tripods, etc.)
- Sales of fotofinishing products in fotofinishing segment

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

Retail strategy



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

CEWE RETAIL in Stockholm

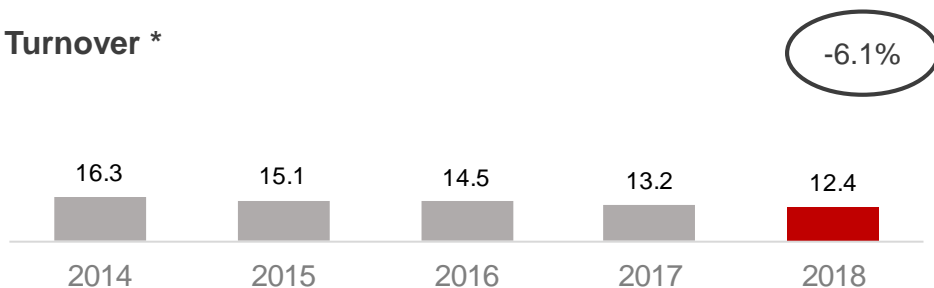


➤ Focus on photofinishing products in CEWE-retail shops

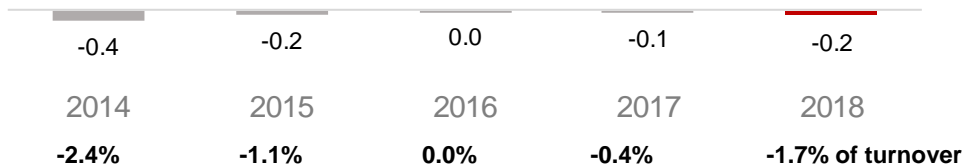
Business segment Retail Q2

in Euro millions

Turnover *



EBIT *



- Focus on photofinishing products (reported in photofinishing segment) reduces hardware sales
- Optimized price strategy to strengthen margins for photo hardware with a conscious renouncement of low-margin sales
- Extremely warm weather conditions additionally reduce customer frequency in the second quarter

- Q2 traditionally negative due to seasonality
- Due to margin focus earnings despite revenue decline only moderately worse than in the same quarter last year
- Slightly higher value adjustments on inventories also reduce earnings

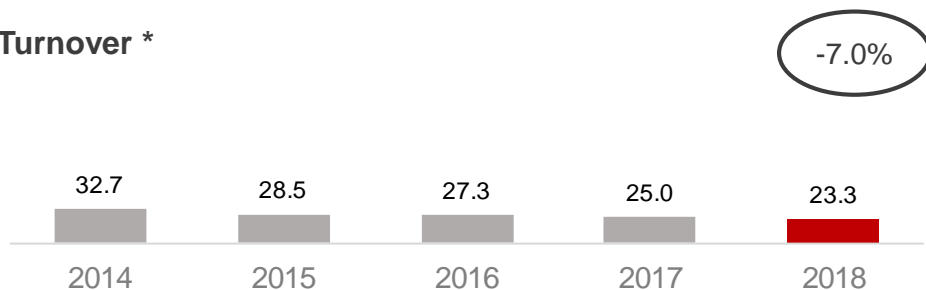
** Only hardware, no photofinishing
Rounding differences might occur.*

- > Hardware sales in Q2 continue to decline
- > Traditionally negative Q2 EBIT due to seasonality

Business segment Retail H1

in Euro millions

Turnover *



EBIT *



- Focus on photofinishing products (reported in photofinishing segment) reduces hardware sales
- Optimized price strategy to strengthen margins for photo hardware with a conscious renouncement of low-margin sales
- Extremely warm weather conditions additionally reduce customer frequency in the second quarter
- First half of the year traditionally negative due to seasonality
- Due to margin focus earnings despite revenue decline only moderately worse than in the same quarter last year
- Slightly higher value adjustments on inventories also reduce earnings

- Hardware sales also in H1 overall continued to decline
- Traditionally negative H1 EBIT due to seasonality

** Only hardware, no photofinishing
Rounding differences might occur.*

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- Photofinishing

- Commercial Online-Print

- Retail

- **Other**

- Group

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

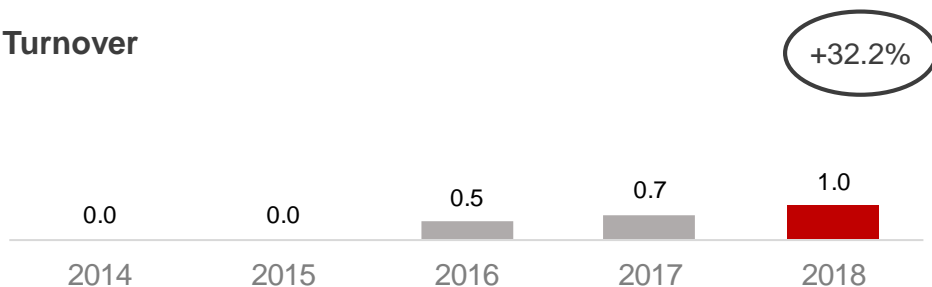
3. Outlook

4. Q&A

Business segment Other Q2

in Euro millions

Turnover



EBIT



Structural and corporate costs and profits arising from real estate property and the acquisition of stocks are shown in the business segment Other.

Since August 2015 (date of initial consolidation), futalis has been reported in this business segment since the business activities cannot be allocated to the other business segments.

- The 1.0 million euros reported in turnover is to be exclusively allocated to futalis (Q2 2017: 0.7 million euros)
- EBIT improved especially through rental income of „Saxopark“-property in Dresden

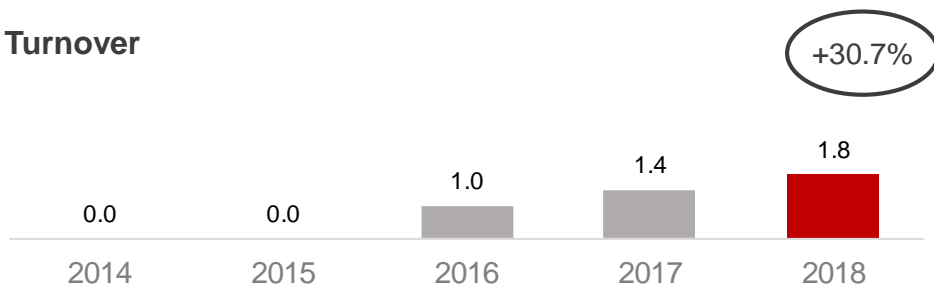
> Segment for other business raises turnover and improves earnings

Rounding differences might occur.

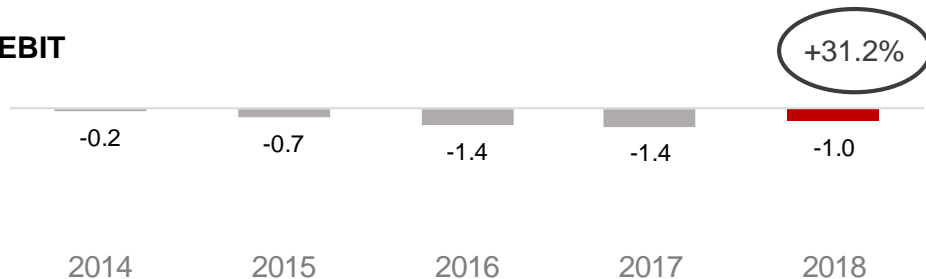
Business segment Other H1

in Euro millions

Turnover



EBIT



Structural and corporate costs and profits arising from real estate property and the acquisition of stocks are shown in the business segment Other.

Since August 2015 (date of initial consolidation), futalis has been reported in this business segment since the business activities cannot be allocated to the other business segments.

- The 1.8 million euros in reported turnover is to be exclusively allocated to futalis (H1 2017: 1.4 million euros)
- EBIT improved especially through rental income of „Saxopark“-property in Dresden

> Segment for other business raises turnover and improves earnings

Rounding differences might occur.

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- Retail

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- **Group**

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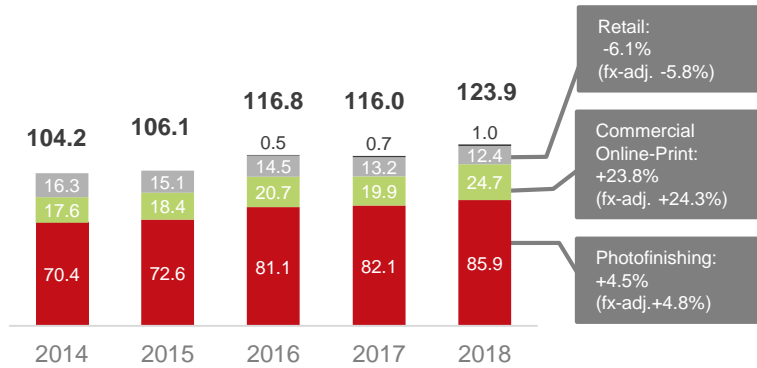
3. Outlook

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Revenue

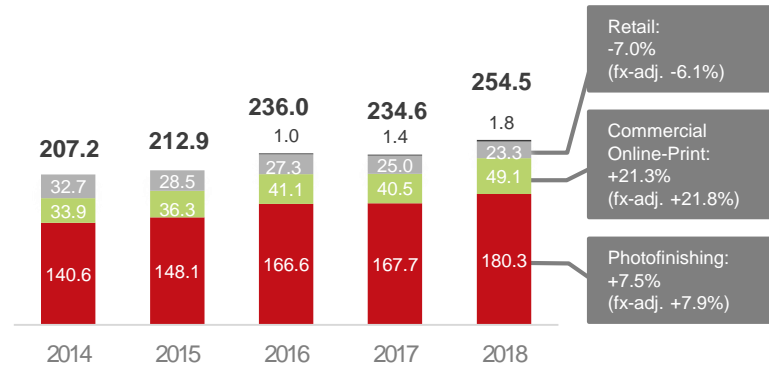
Q2
in Euro millions

+6.8%
fx-adj.: +7.1%



H1
in Euro millions

+8.5%
fx-adj.: +8.9%

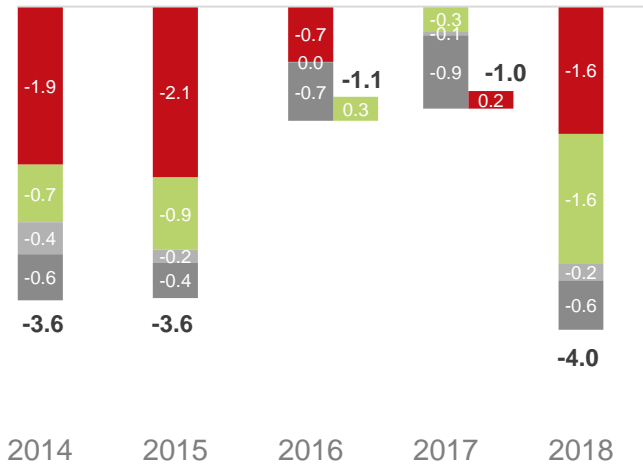


- In Q2 and H1 Photofinishing and Commercial Online-Print are contributing to the Group's revenue growth
- Fx-adjusted: Development in all segments slightly stronger than reported figures

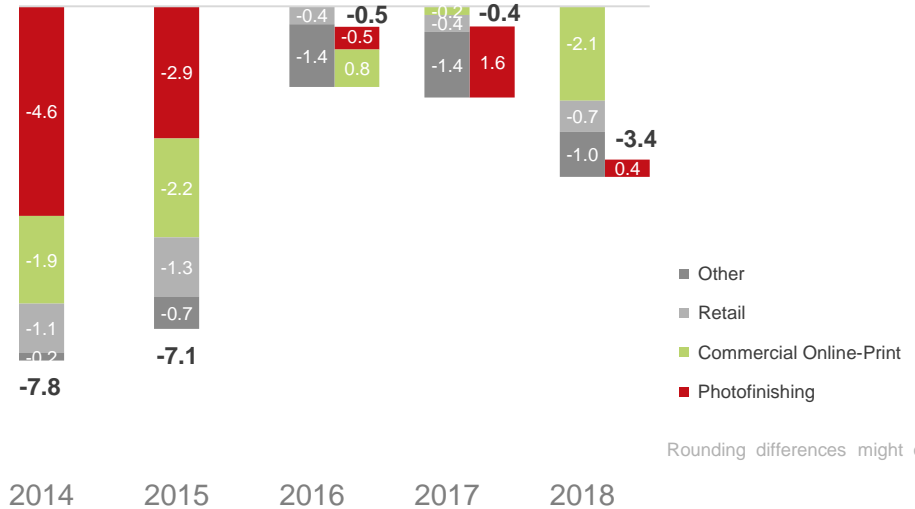
Rounding differences might occur.

EBIT

Q2
in Euro millions



H1
in Euro millions



Rounding differences might occur.

➤ Group EBIT in Q2 and HY 1 falls short of previous year, mainly due to acquisitions

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Group P&L

in millions of euros

	Q2 2016	% of revenues	Q2 2017	% of revenues	Change* as %	Change* m€
Revenues	116.0	100.0%	123.9	100.0%	+6.8	+7.9
Increase / decrease in finished and unfinished goods	-0.1	-0.1%	-0.3	-0.3%	+345	-0.3
Other own work capitalised	0.2	0.2%	0.2	0.2%	-6.7	-0.0
Other operating income	5.8	5.0%	7.9	6.4%	+36.5	+2.1
Cost of materials	-37.0	-31.9%	-39.8	-32.1%	-7.4	-2.7
Gross profit	84.9	73.2%	91.9	74.2%	+8.2	+7.0
Personnel expenses	-37.1	-32.0%	-41.6	-33.6%	-12.1	-4.5
Other operating expenses	-40.2	-34.7%	-44.7	-36.1%	-11.3	-4.5
EBITDA	7.6	6.5%	5.5	4.5%	-26.8	-2.0
Amortisation of intangible assets, depreciation of property, plant and equipment	-8.6	-7.4%	-9.5	-7.7%	-10.9	-0.9
EBIT	-1.0	-0.9%	-4.0	-3.2%	-287.3	-3.0

Turnover growth in Photofinishing and Commercial Online-Print more important than decline in Retail

(+) VAT refund for previous assessment periods
(+) Rental income from real estate leasing of the "Saxopark" in Dresden

Organic growth in Photofinishing and Commercial Online-Print as well as acquisition of Cheerz & LASERLINE

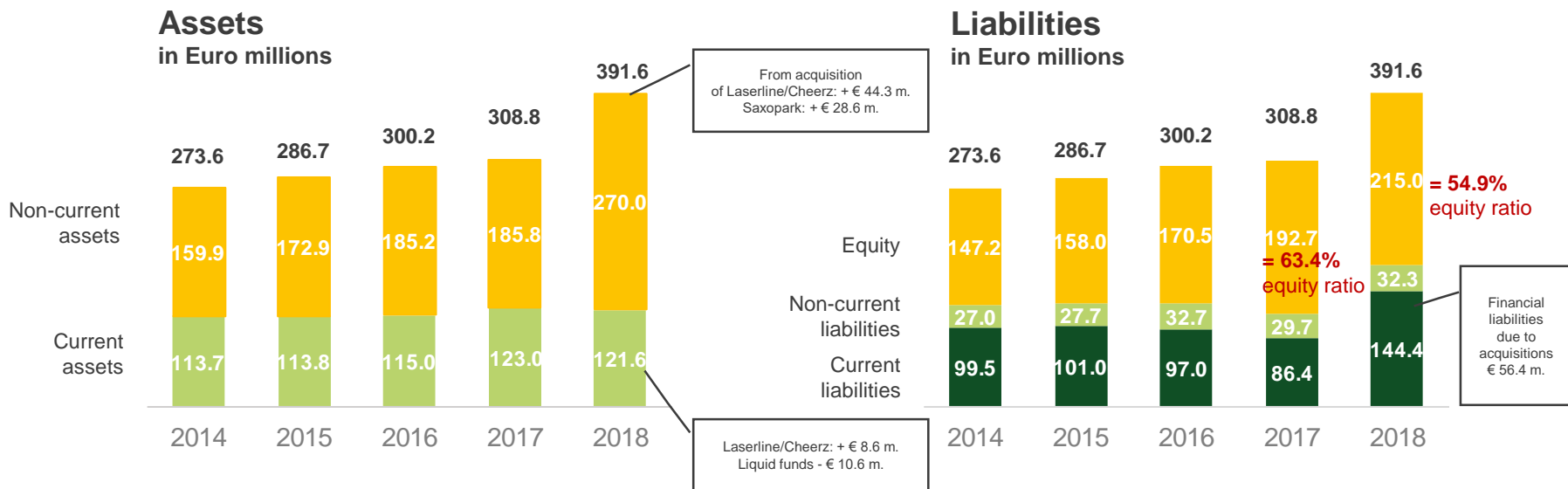
(-) Mainly attributable to acquisition of Cheerz and LASERLINE
(-) Few recruitments in central functions (R&D) of Photofinishing

Acquisition of Cheerz & LASERLINE

Only the substantial, significant differences to the previous year are illustrated.

Rounding differences might occur.

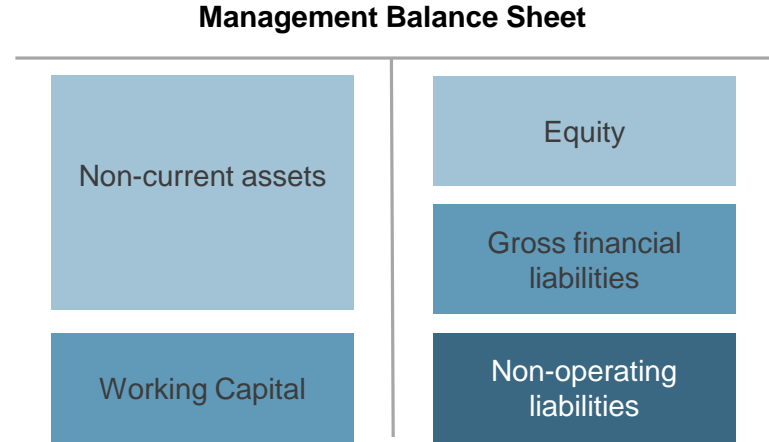
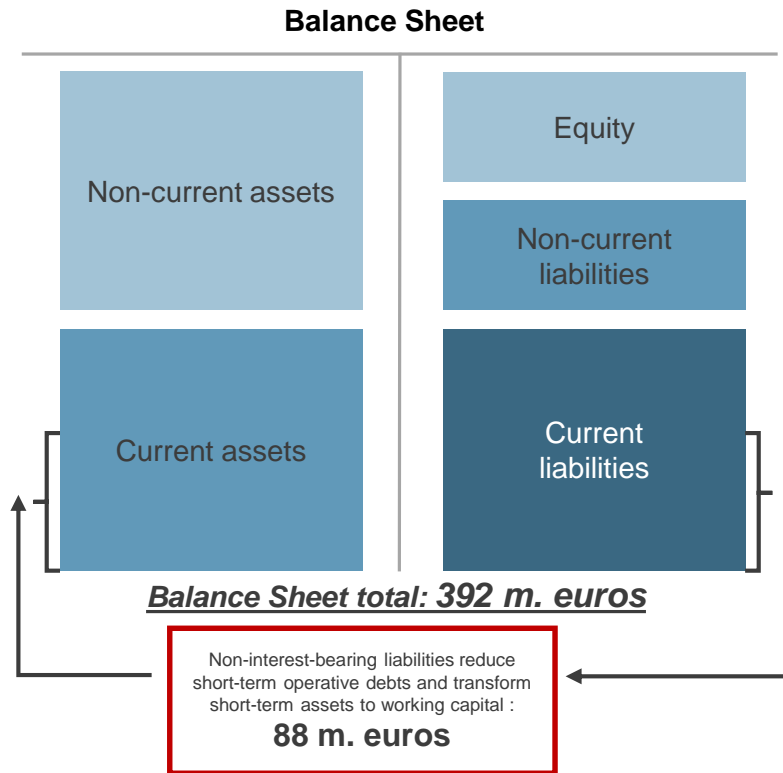
Balance Sheet data at 30 June



- Balance sheet extension mainly due to the acquisitions and the purchase of Saxopark
- Earnings growth keeps equity ratio at 54.9% despite balance sheet extension

Rounding differences might occur.

From Accounting Balance Sheet to Management Balance Sheet

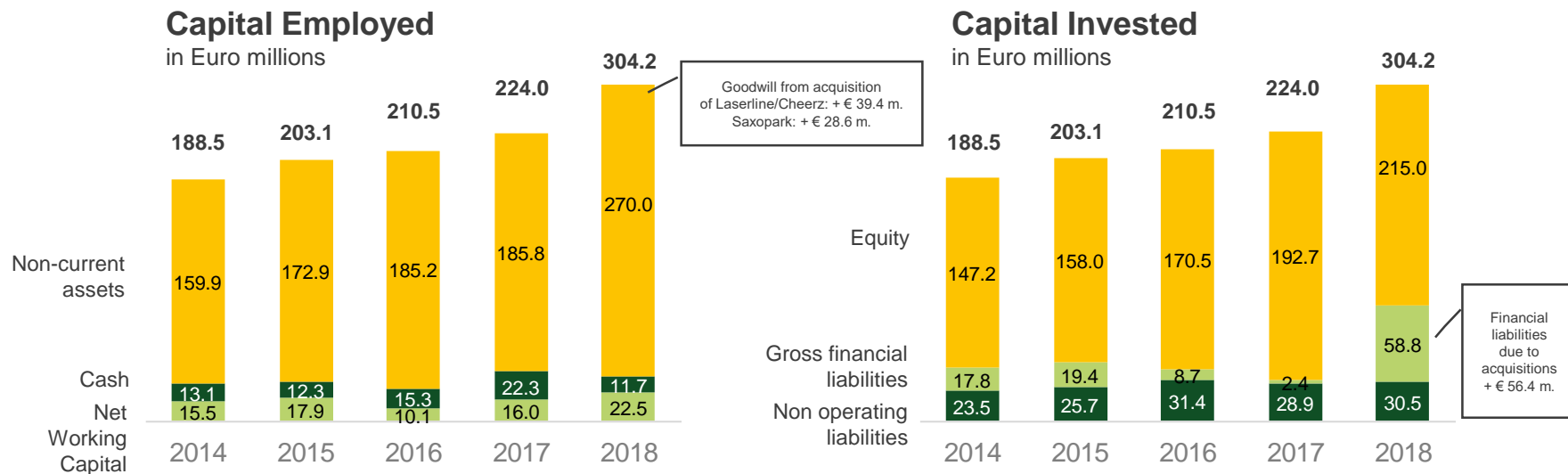


Balance Sheet total: 304 m. euros

- > 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 at 30 June



- Long-term assets increased due to the acquisition of Saxopark, Laserline and Cheerz
- Net working capital increased mainly as a result of the acquired business

Rounding differences might occur.

Capital Employed I

in millions of euros	Mar. 31, 2018	% of CE	June 30, 2018	% of CE	Change as %	Change m€
Property, plant and equipment	150,7	50,1 %	153,7	50,5 %	+2,0 %	+3,1
Investment properties	17,9	5,9 %	17,8	5,9 %	-0,1 %	-0,0
Goodwill	65,2	21,7 %	65,2	21,4 %	-	+0,0
Intangible assets	15,3	5,1 %	15,4	5,1 %	+0,5 %	+0,1
Financial assets	10,8	3,6 %	7,6	2,5 %	-30,2 %	-3,3
Non-current financial assets	0,8	0,3 %	0,9	0,3 %	+5,9 %	+0,0
Non-current other receivables and assets	0,1	0,0 %	0,4	0,1 %	+261 %	+0,3
Deferred tax assets	7,8	2,6 %	9,0	3,0 %	+14,9 %	+1,2
Non-current assets	268,6	89,4 %	270,0	88,7 %	+0,5 %	+1,3
Inventories	47,5	15,8 %	47,0	15,5 %	-1,0 %	-0,5
+ Current trade receivables	39,6	13,2 %	39,2	12,9 %	-1,2 %	-0,5
Operating gross working capital	87,2	29,0 %	86,2	28,3 %	-1,1 %	-0,9
- Current trade payables	52,8	17,6 %	55,7	18,3 %	+5,3 %	2,8
Operating net working capital	34,3	11,4 %	30,5	10,0 %	-11,0 %	-3,8

Investments in tangible assets, especially digital-print and offset-print

Investments especially in software

Divestment of a start-up participation

Seasonal increase

Only the substantial, significant differences to the previous year are illustrated.
Rounding differences might occur.

Capital Employed II

in millions of euros	Mar. 31, 2018	% of CE	June 30, 2018	% of CE	Change as %	Change m€
Assets held for sale	1,4	0,5 %	1,4	0,5 %	-0,4 %	-0,0
+ Current receivables from income tax refunds	6,3	2,1 %	10,7	3,5 %	+69,7 %	+4,4
+ Current financial assets	2,5	0,8 %	2,6	0,8 %	+0,8 %	+0,0
+ Other current receivables and assets	8,9	2,9 %	9,0	3,0 %	+1,7 %	+0,1
Other gross working capital	19,1	6,4 %	23,7	7,8 %	+23,8 %	+4,6
- Current tax liabilities	3,5	1,2 %	2,7	0,9 %	-21,9 %	-0,8
- Current other accruals	3,3	1,1 %	3,2	1,1 %	-3,3 %	-0,1
- Current financial liabilities	3,7	1,2 %	3,0	1,0 %	-	-0,7
- Current other liabilities	26,3	8,7 %	22,8	7,5 %	-13,3 %	-3,5
Other current liabilities	36,8	12,2 %	31,7	10,4 %	-13,7 %	-5,1
Other net working capital	-17,7	-5,9 %	-8,1	-2,6 %	-54,4 %	+9,6
Operating net working capital	34,3	11,4 %	30,5	10,0 %	-11,0 %	-3,8
Other net working capital	-17,7	-5,9 %	-8,1	-2,6 %	-54,4 %	+9,6
Net working capital	16,6	5,5 %	22,5	7,4 %	+35,1 %	+5,8
Non-current assets	268,6	89,4 %	270,0	88,7 %	+0,5 %	+1,3
+ Net working capital	16,6	5,5 %	22,5	7,4 %	+35,1 %	+5,8
+ Cash and cash equivalents	15,4	5,1 %	11,7	3,9 %	-23,6 %	-3,6
Capital employed	300,7	100,0 %	304,2	100,0 %	+1,2 %	+3,6

Capitalization of tax prepayments in quarterly reporting

Decrease due to payment of trade tax

Settlement of wage and salary liabilities from outstanding vacation
Decrease of VAT-liabilities due to payments

Only the substantial, significant differences to the previous year are illustrated.

Rounding differences might occur.

Capital Invested

in millions of euros	Mar. 31, 2018	% of CI	June 30, 2018	% of CI	Change as %	Change m€
Equity	231,8	77,1 %	215,0	70,7 %	-7,3 %	-16,9
Non-current accruals for pensions	27,7	9,2 %	28,1	9,2 %	+1,6 %	+0,4
Non-current deferred tax liabilities	1,6	0,5 %	1,5	0,5 %	-3,4 %	-0,1
Non-current financial liabilities	0,1	0,0 %	0,1	0,0 %	-	+0,0
Non-current other liabilities	0,8	0,3 %	0,7	0,2 %	-13,3 %	-0,1
Non-operating liabilities	30,2	10,0 %	30,5	10,0 %	+0,9 %	+0,3
Non-current interest-bearing financial liabilities	1,3	0,4 %	1,8	0,6 %	+36,7 %	+0,5
+ Current interest-bearing financial liabilities	37,3	12,4 %	57,0	18,7 %		+19,7
Gross financial liabilities	38,6	12,8 %	58,8	19,3 %	+52,2 %	+20,2
Capital invested	300,7	100,0 %	304,2	100,0 %	+1,2 %	+3,6

Decrease due to dividend paid in the financial year 2018 for 2017

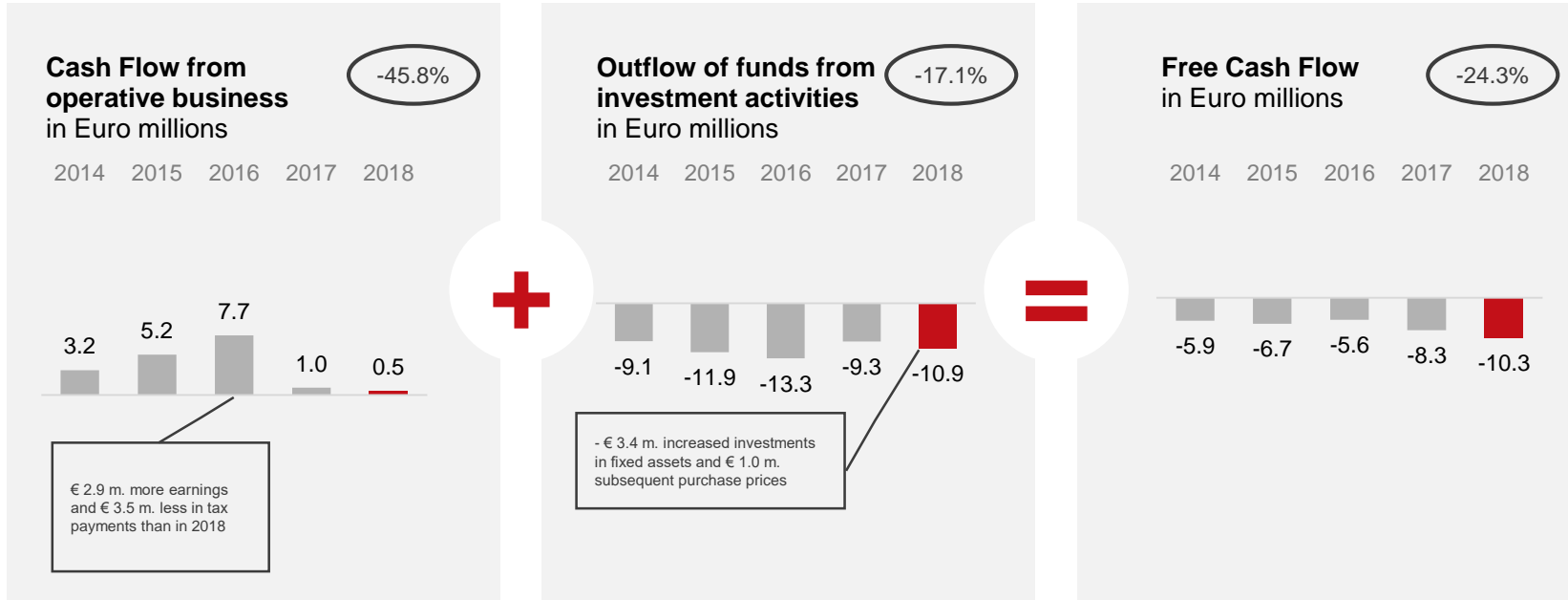
Increase of pension accruals, due to adjustments of the pension commitments

Seasonal increase for business operations

Only the substantial, significant differences to the previous year are illustrated.

Rounding differences might occur.

Free Cash Flow Q2



- > **Cash flow from operative business approx. on same level as 2017**
- > **In the outflow of funds from investment activities rises slightly as announced for the full year**

Rounding differences might occur.

Free Cash Flow Q2

in millions of euros	Q2 2017	Q2 2018	Change as %	Change m€
EBITDA	7,6	5,5	-26,8%	-2,0
+/- Non-cash factors	-0,5	0,3	-	0,8
+ Decrease in operating net working capital	2,4	3,3	38,3%	0,9
- Increase in other net working capital (excluding income tax items)	-2,2	-3,5	-56,2%	-1,3
- Taxes paid	-6,2	-5,3	15%	0,9
+ Interest received	0,0	0,2	>1000%	0,2
= Cash flow from operative business	1,0	0,5	-45,8%	-0,4
- Outflows from investments in fixed assets	-9,6	-13,0	-35,4%	-3,4
- Outflows from purchases of consolidated interests / acquisitions	0,0	-1,0	-	-1,0
- Outflows from investments in financial assets	-0,1	2,9	-	2,9
- Outflows from investments in non-current financial instruments	0,0	0,0	-	0,0
+ Inflows from the sale of property, plant and equipment and intangible assets	0,4	0,3	-28%	-0,1
= Cash flow from investing activities	-9,3	-10,9	-17,1%	-1,6
= Free cash flow	-8,3	-10,3	-24,3%	-2,0

Reduced earnings situation

Inventory and receivables reduction

Decrease due to payment of VAT

Less subsequent payments

Saisonal investments

Subsequent purchase price regarding to current acquisitions

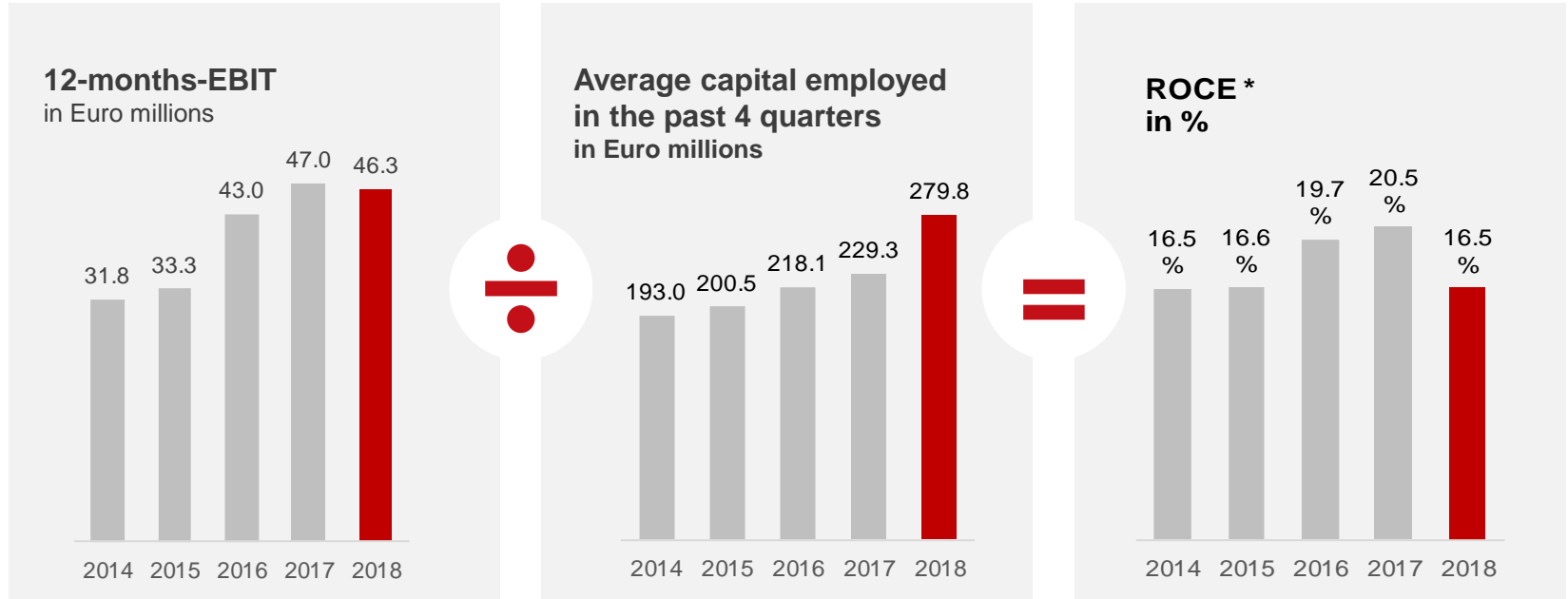
Divestment of a start-up participation

Only the substantial, significant differences to the previous year are illustrated.

Rounding differences might occur.

ROCE

as of June 30



- **Acquisition of the Saxopark and recent acquisitions (LASERLINE & Cheerz) increase average capital employed, as a result ROCE drops to still strong 16.5%**

* Return On Capital Employed
** Weighted Average Cost of Capital
Rounding differences might occur.

Agenda

1. Results

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

3. Outlook

4. Q&A

Outlook 2018

Targets		2017	Target 2018	Change
Photos total	billion photos	2.17	2.12 to 2.14	-3% to -2%
CEWE PHOTO BOOK	million photos	6.02	6.08 to 6.14	+1% to +2%
Investments*	Euro millions	44.6**	55	
Revenue	Euro millions	599.4	630 to 665	+5% to +11%
EBIT	Euro millions	49.2	48 to 54	-2% to +10%
EBT	Euro millions	48.9	47.5 to 53.5	-3% to +9%
Earnings after tax	Euro millions	33.6	33 to 37	-2% to +10%
Earnings per share	Euro millions	4.70	4.55 to 5.13	-3% to +9%

Rounding differences might occur.

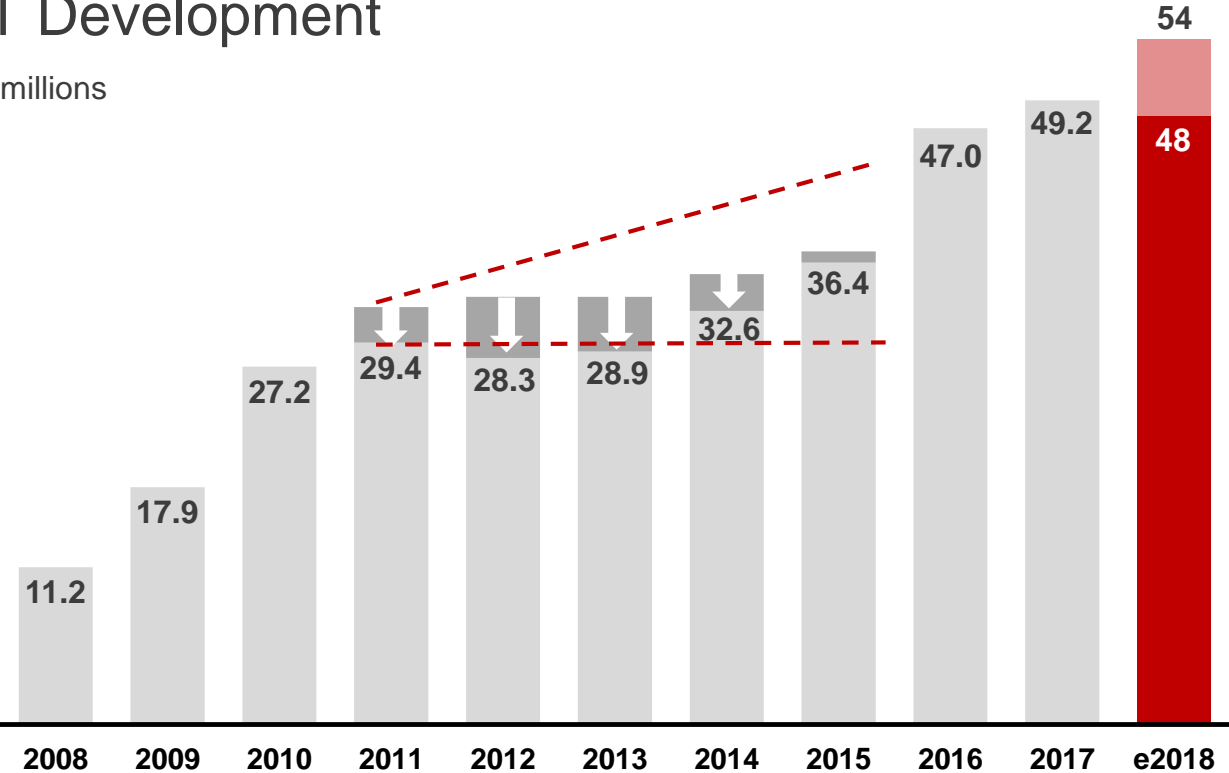
* Operative investments without potential investments in expanding the business volume and, for example, corporate acquisitions and/or additional customer-base acquisitions

** EUR 44.6 million in operational investments including building expansion in Oldenburg, plus acquisition of property "Saxopark" in Dresden (EUR 27.6 million)

➤ **H1 confirms the annual targets for 2018**

EBIT Development

in Euro millions



> EBIT-target for 2018 expanded

■ = Commercial Online Print start-up costs

Agenda

1. Results

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3. Outlook

4. Q&A

Q&A-Session

Q2 2018 Analyst Conference Call

August 9, 2018

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