


# Results Q3 2018

Analyst Conference Call

CEWE Stiftung & Co. KGaA

Oldenburg

November 13, 2018

A woman wearing a red Santa hat with white fur trim is smiling and holding an open photo book. The photo book is open to two pages. The left page shows a family of three (a man, a woman, and a child) sitting together, with the text "Our Christmas" written below the photo. The right page shows a Christmas tree and a child sitting in front of it. The background is a blue sky with white clouds. The photo book is set against a red background.

my  
**cewe** photobook

[www.cewe-photoworld.com](http://www.cewe-photoworld.com)

*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 cewe, featuring a stylized red 'M' symbol followed by the word 'cewe' in a red, lowercase, cursive font.

**M** cewe



cewe

cewe

cew

mein  
cewe fotobuch



mein  
cewe instant photo



TIPA  
WORLD AWARDS  
2018

JUST PHOTO  
SERVICE WORLDWIDE

100%  
Ökopraktisch

cewe

hexxas

our world is  
ttbewerb 2 318/19 teilneh

hexxas

meine  
cewe cards

mein  
cewe kalender

cewe

photokina

IMAGING UNLIMITED



26.-29. SEPTEMBER 2018  
KÖLN

Herzlich willkommen • Hjertelig velkommen • Welcome • Sydämällisesti tervetuloa • Bienvenue • Hartelijk welkom  
Benvenuti • Birne ati venit • Hjertelig velkommen • Serdecznie witamy • Herzlich willkommen • Vítáme Vás  
Hjertelig velkommen • Serdecznie witamy • Pierścień witamy • Symplicité vítáme Vás • Dobrodošli



mein  
**cewe** fotobuch

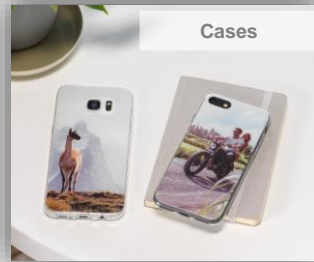


**„Best Photo Print Service  
Worldwide“**

EISA Award for CEWE PHOTOBOOK pure



# 2018 Product Innovations



> 15 product innovations in six categories



# Refinement: New Formats and Paper Qualities



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

## Refinement: New refined design elements



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



# CEWE PHOTOBOOK pure: Seven new styles



- > The small CEWE PHOTO BOOK variant, ideal for all smartphone users
- > Simply choose 22 photos, add a title and personal dedication and you're done!

# CEWE PHOTOBOOK Kids



- The CEWE PHOTOBOOK variant for infants, young parents, family and friends with educational added value

# hexxas



> A work of art with six corners: favorite moments on high quality photo tiles

# Smartphone Cases: Silikon Slim Case



➤ New materials for even more diversity in your choice of a personal mobile phone cover

# Advent Calendar: Greater choice of variants



➤ Advent calendar “Deluxe”

## At a glance: Q3 2018

- Without the expected negative contributions to earnings from the acquisition of Cheerz and Laserline, the **CEWE Group EBIT for Q3 is reduced by 1.6 million euros** compared to the previous year
- Including the contributions of Cheerz and Laserline, **reported Group EBIT** is reduced by 2.2 million euros to **1.4 million euros**
- As expected: in core business **photofinishing** ongoing **seasonal shift** and **extremely warm weather conditions reduced organic growth** (without Cheerz) and **EBIT**
- Besides the expected negative Laserline-EBIT, the **EBIT for Commercial Online-Print has fallen short** of that of the previous year, also due to ongoing price pressure in Germany, weak UK business and cost increases
- **Q3 confirms the annual targets** set for 2018: EBIT in the range of 48 to 54 million euros expected



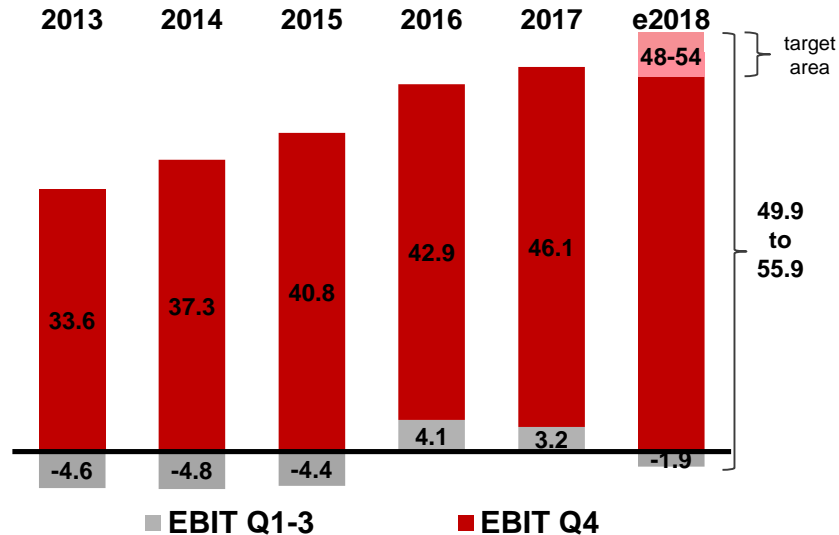
Highlights Q3 2018		Q3 2017	Q3 2018	Comment
<b>Photofinishing</b>				
<b>Sales Volume</b>	in photo m.	531.7	513.7	<ul style="list-style-type: none"> <li>At 3.4% lower than PY, volume follows seasonal shift and is in line with annual target</li> <li>Additional sales through Cheerz</li> <li>One-time items: PPA-effect (DeinDesign), sale of former operation in Nuremberg and extraordinary costs for photokina (fair)</li> </ul>
<b>Turnover</b>	in EUR m.	96.3	100.4	
<b>EBIT</b>		4.1	3.1	
EBIT w/o one-offs		4.2	3.3	
<b>Commercial Online-Print</b>				
<b>Turnover</b>	in EUR m.	20.2	23.9	<ul style="list-style-type: none"> <li>Sales increase through acquisition of Laserline and slight organic growth</li> <li>EBIT carries expected negative contribution of Laserline and cost increases</li> <li>One-time items: PPA-effect (Saxoprint) and integration costs of Laserline</li> </ul>
<b>EBIT</b>		0.4	-0.9	
EBIT w/o one-offs		0.5	-0.4	
<b>Retail</b>				
<b>Turnover</b>	in EUR m.	13.0	11.8	<ul style="list-style-type: none"> <li>Focus on profitability and photofinishing reduce sales</li> <li>Due to seasonality EBIT traditionally negative in Q3</li> </ul>
<b>EBIT</b>		-0.1	-0.1	
<b>Other</b>				
<b>Turnover</b>	in EUR m.	0.8	1.0	<ul style="list-style-type: none"> <li>Segment Other covers administrative costs for company structure, supervisory board costs, IR costs, real estate, fatalities</li> </ul>
<b>EBIT</b>		-0.9	-0.7	
<b>Group</b>				
<b>Turnover</b>	in EUR m.	130.3	137.2	<ul style="list-style-type: none"> <li>Group turnover especially up due to acquisitions</li> <li>EBIT carries negative contribution of acquisitions as expected</li> </ul>
<b>EBIT</b>		3.6	1.4	
EBIT w/o one-offs		4.0	2.1	
<b>Free Cash Flow</b>	in EUR m.	-36.8	4.0	<ul style="list-style-type: none"> <li>Increased cash flow from operating activities and Saxopark acquisition in PY</li> </ul>
<b>ROCE</b>	%	19.3	15.1	<ul style="list-style-type: none"> <li>ROCE still strong, reduced due to acquisitions to season-related low</li> </ul>
<b>Equity ratio</b>	%	57.0	54.8	<ul style="list-style-type: none"> <li>Solid equity ratio</li> </ul>

*Rounding differences might occur.*

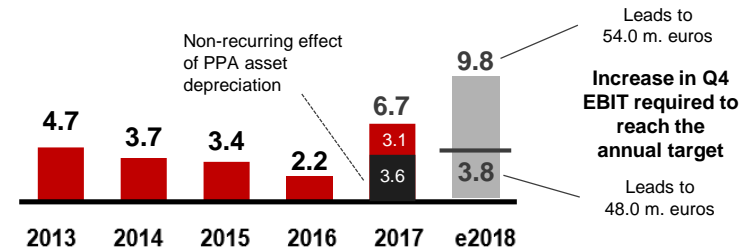
➤ **Q3 confirms the annual targets for 2018**

# 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 again increase by 3.8 million euros to reach the EBIT annual target corridor
- Extraordinary depreciation of PPA-assets will not occur again and should already contribute 3.6 million euros

# Agenda

## 1. Results

### - Photofinishing

- Commercial Online-Print

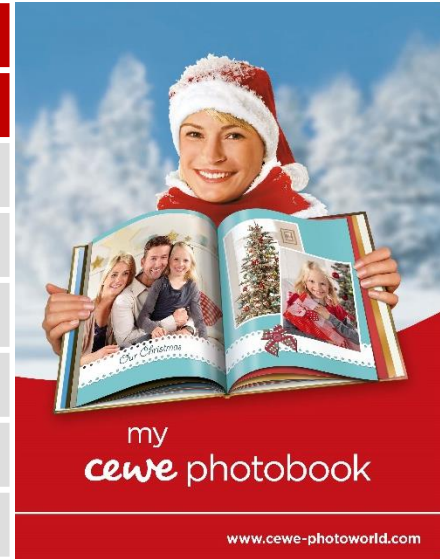
- Retail

- Other

- Group

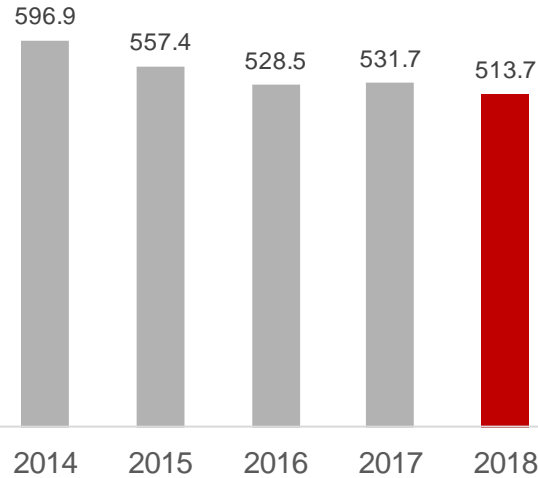
## 2. Financial Report

## 3. Outlook

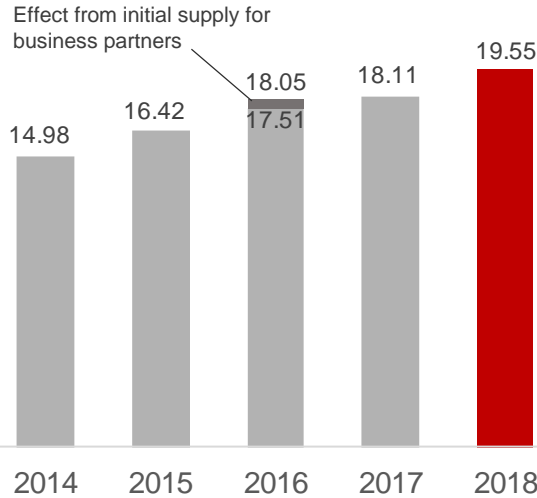


# Number of prints and turnover Photofinishing Q3

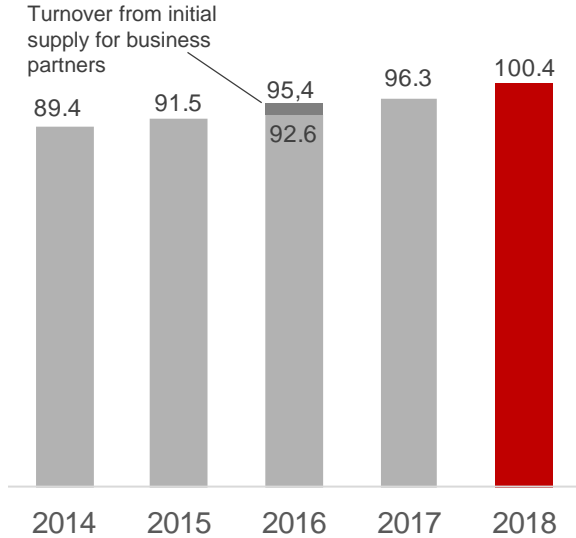
**Total prints  
in millions**



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



**Turnover Photofinishing  
Q3  
in Euro millions**

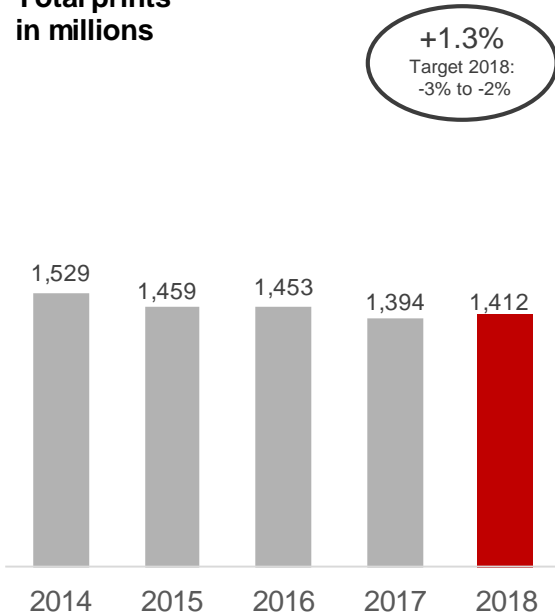


- > Rising share of value-added-products increases turnover per photo
- > Rising turnover per photo compensates decreasing volume

*Rounding differences may occur.*

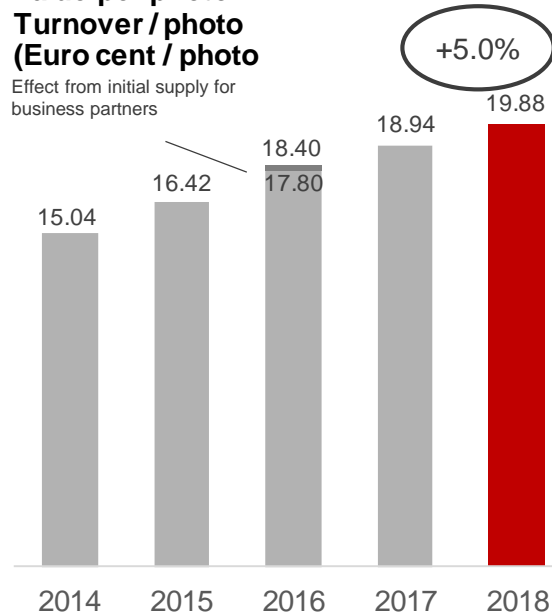
# Number of prints and turnover Photofinishing Q1-Q3

**Total prints  
in millions**



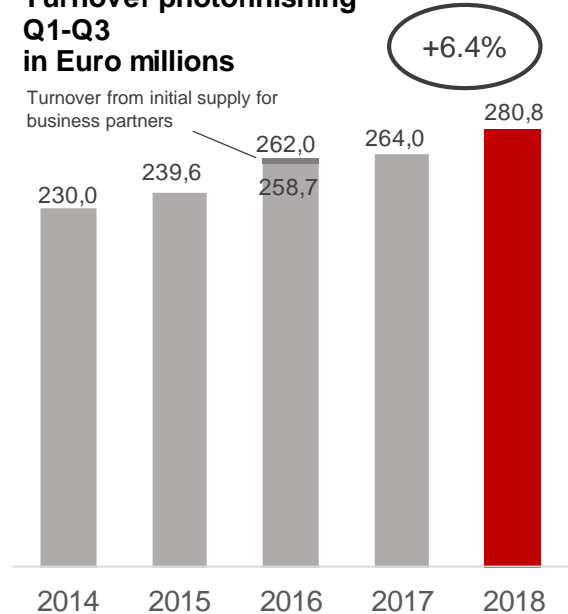
**Value per photo  
Turnover / photo  
(Euro cent / photo)**

Effect from initial supply for  
business partners



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

Turnover from initial supply for  
business partners

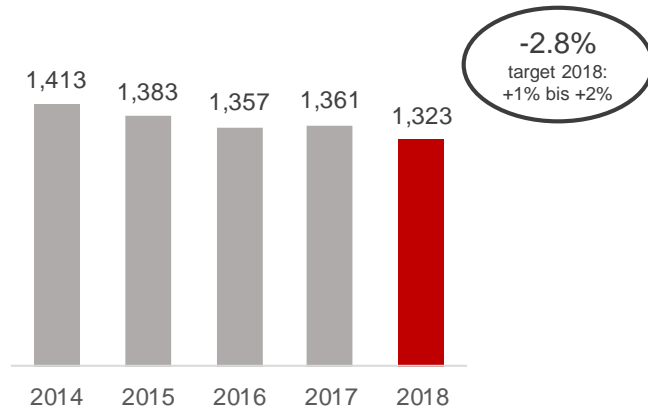


- > **Volume development exceeds expected range**
- > **Rising share of value-added-products increases turnover per photo**

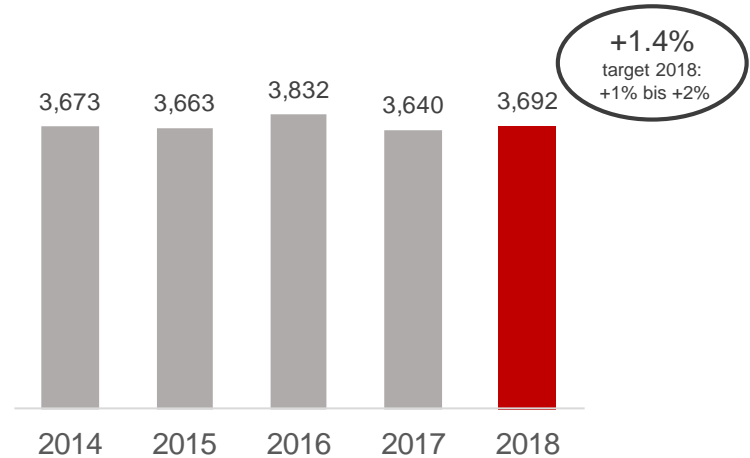
*Rounding differences may occur.*

# CEWE PHOTOBOOK

Number of CEWE PHOTOBOOKS Q3  
in thousands



Number of CEWE PHOTOBOOKS Q1-Q3  
in thousands

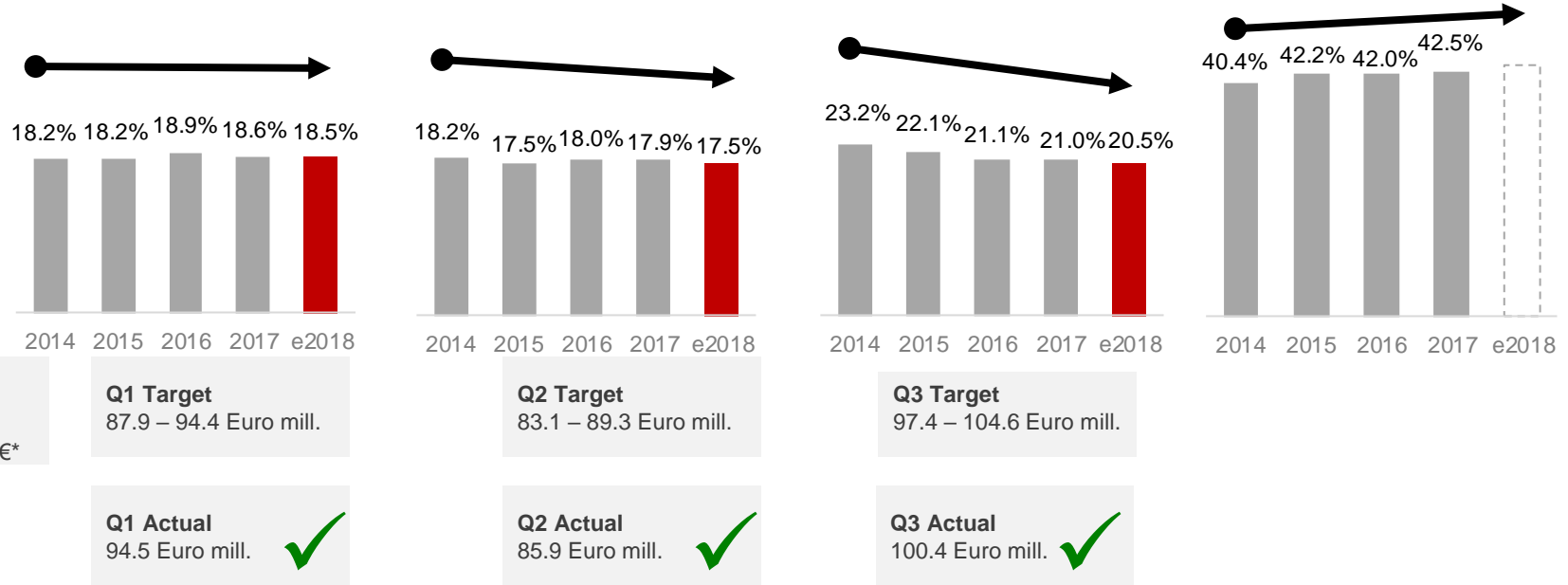


- > Extraordinary warm (not order-friendly) weather conditions as well as the usual seasonal shift in Q4 affect Q3 volume
- > Q1-Q3 volume in line with scheduled annual target corridor

*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. ✓

**Q3 Target**  
97.4 – 104.6 Euro mill.

**Q3 Actual**  
100.4 Euro mill. ✓

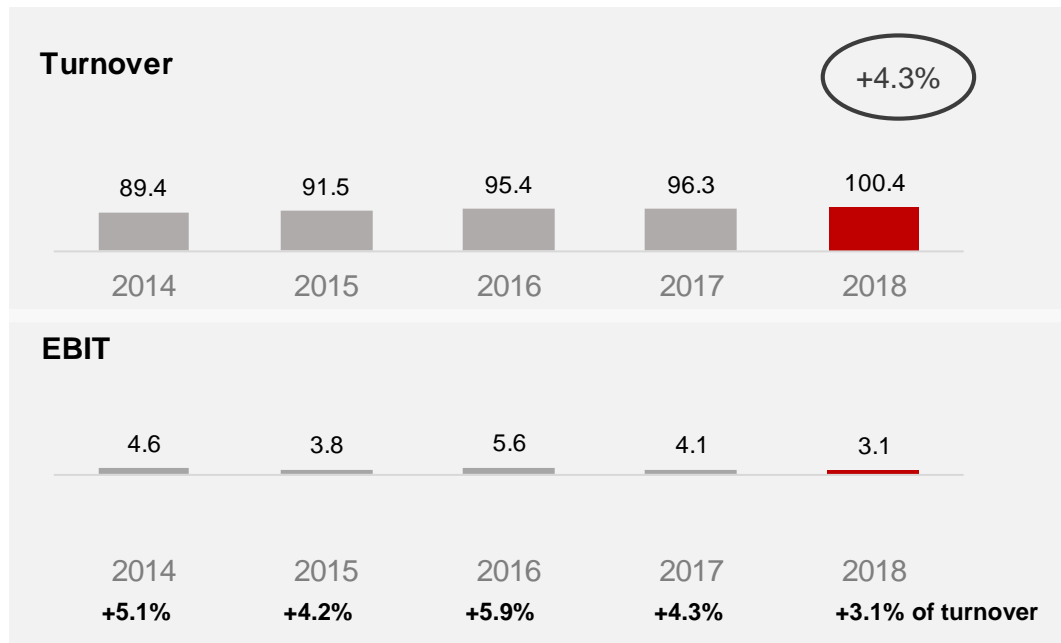
## > Photofinishing sales Q3 in the expected range

\* 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 Q3

in Euro millions



- Cheerz acquisition sees Q3 growth
- Ongoing seasonal shift and warm weather conditions until the end of September do not encourage consumers to place orders: Slight decline organically
- Anticipated shift in seasonality also diminishes EBIT contributions
- Q3 2018 extraordinary effects: -0.2 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.1 million euros
  - Sale of former operation in Nuremberg: 1.2 million euros
  - photokina trade-fair costs (fair not held last year): -1.3 million euros
- PY Q3 2017 extraordinary effects: -0.1 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.1 m.euros

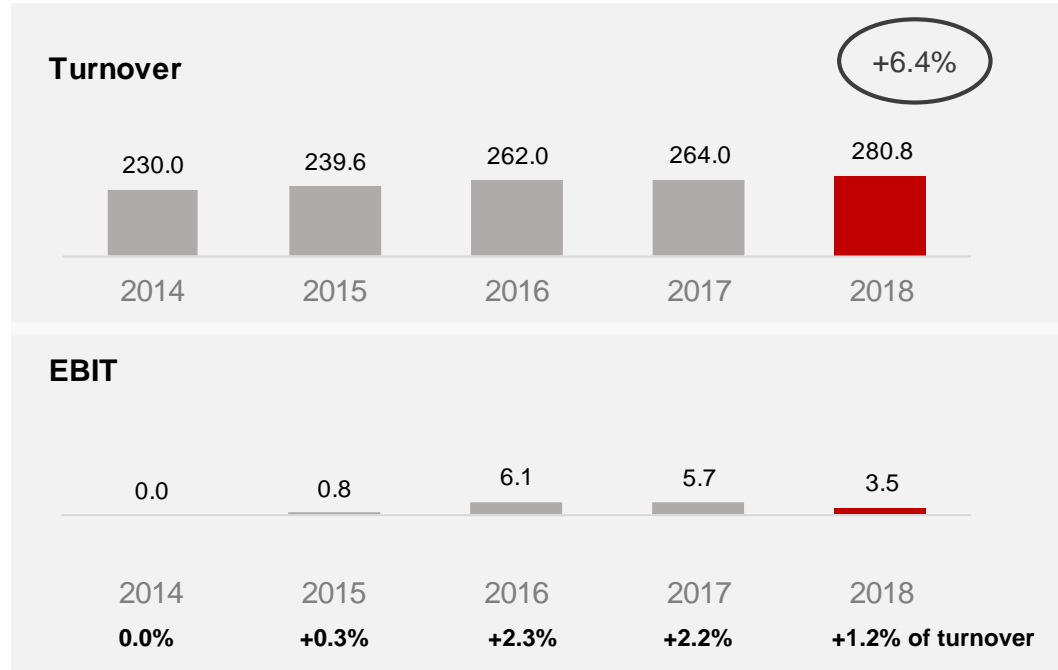
➤ **Photofinishing grows through Cheerz acquisition**

*Rounding differences may occur.*



# Business segment Photofinishing Q1-Q3

in Euro millions



- Q1-3 grows organically and through the Cheerz acquisition
- Q1 with excellent organic growth more than compensates for slight organic declines in turnover in Q2 and in Q3
- EBIT before one-off effects amounts to 3.9 million euros (previous year before one-off effects: 5.5 million euros)
- Anticipated season-related decline in turnover in Q3 also diminishes EBIT contributions in the third quarter
- Q1-3 2018 extraordinary effects: -0.4 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.3 m. euros
  - Sales revenue from the operation in Nuremberg: 1.2 million euros
  - photokina trade-fair costs (fair not held last year): -1.3 million euros
- PY Q1-3 2017 extraordinary effects: +0.2 million euros
  - PPA effects from DeinDesign purchase price allocation: -0.3 million euros
  - One-off earnings from sale of property in Denmark: 0.5 million euros

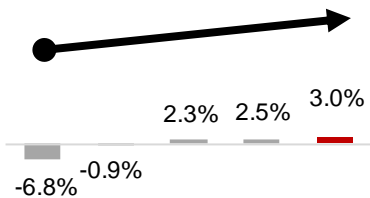
- > Photofinishing grows organically and through Cheerz acquisition
- > EBIT absorbs (scheduled) negative Cheerz earnings

*Rounding differences may occur.*

# EBIT before Restructuring by Quarter – Photofinishing

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

2014 2015 2016 2017 e2018

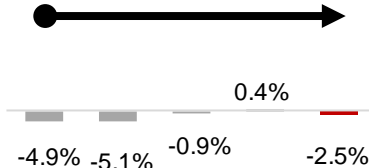


**EBIT target 2018  
Photofinishing**  
46.9 – 52.9 Euro mill.\*

**Q1 Target**  
+1.4 – +1.6 Euro mill.

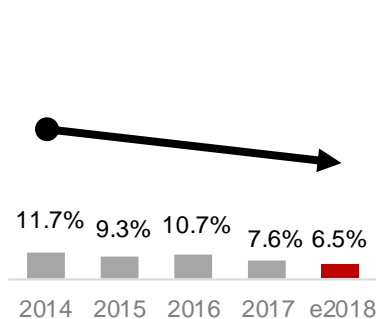
**Q1 Actual**  
+1.9 Euro mill. ✓

2014 2015 2016 2017 e2018



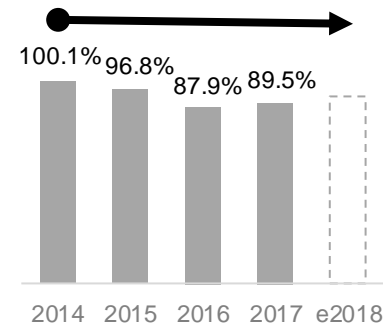
**Q2 Target**  
- 1.2 - -1.3 Euro mill.

**Q2 Actual**  
-1.6 Euro mill. ✓



**Q3 Target**  
+ 3.05 - +3.4 Euro mill.

**Q3 Actual**  
+3.1 Euro mill. ✓



➤ **Photofinishing EBIT within expected range**

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

# Agenda

## 1. Results

- Photofinishing

- **Commercial Online-Print**

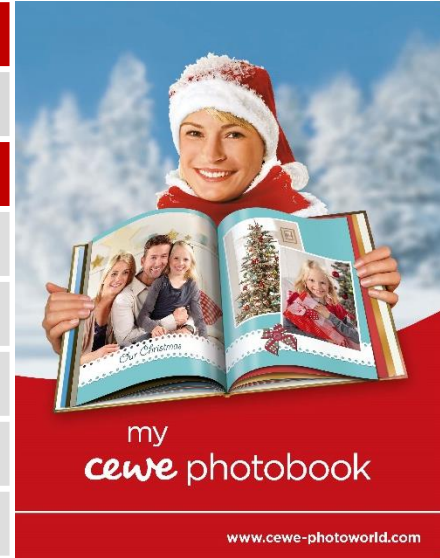
- Retail

- Other

- Group

2. Financial Report

3. Outlook



# The CEWE online print brands

**cewe-print.de**  
Ihr Online Druckpartner

**SAXOPRINT**  
Where print meets passion.

**viaprinto**

**LASERLINE**

Flyer



Brochures



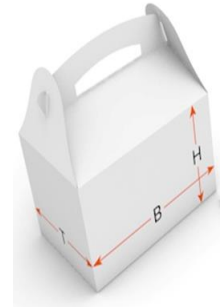
Folder



Business Cards



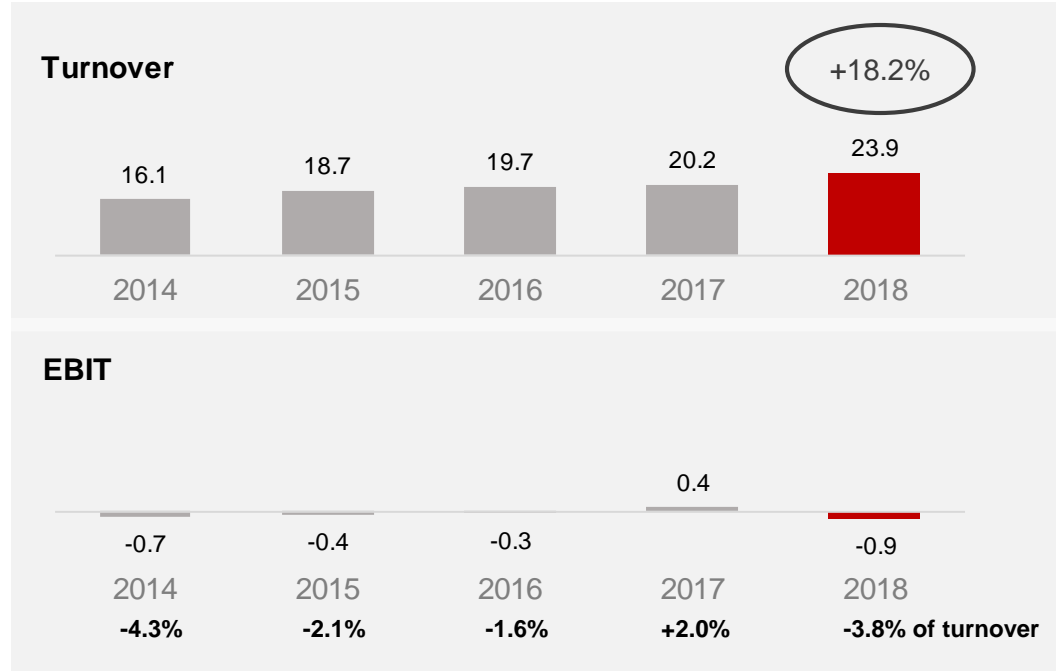
Easy-Box



➤ CEWE-Portals focus on different customer groups

# Business segment Commercial Online-Print Q3

in Euro millions



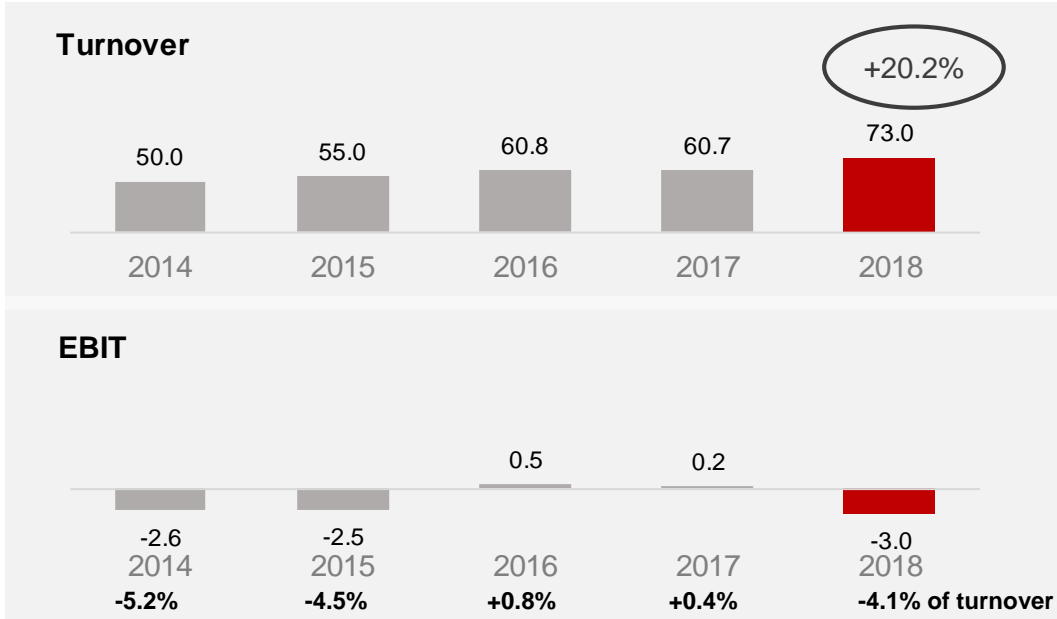
- More than anything else, it is the LASERLINE acquisition that sees turnover in the third quarter rise, only slight organic growth
- Price pressure in Germany continues to restrain stronger growth
- UK business remains weakened by Brexit
  
- EBIT carries 0.3 million euros in integration costs from Laserline in Q3
- Price pressure, rebates with resellers, increased material costs (due to rises in paper prices) cause the gross margin to decline
- Increases in personnel costs, mainly as a result of increases in salaries, not so much caused by new recruitments
- PPA-effect (Saxoprint): 0.1 million euros (Q3 2017: 0.1 million euros)

- > COD growth in Q3 mainly through LASERLINE acquisition
- > EBIT also bears costs due to delays in the LASERLINE integration

*Rounding differences may occur.*

# Business segment Commercial Online-Print Q1-Q3

in Euro millions



- **More than anything else, LASERLINE acquisition results in increase in turnover**
- **EBIT reduced due to the integration costs of LASERLINE but also due to lower gross margins and cost increases**

- More than anything else, it is the LASERLINE acquisition that sees turnover in the first three quarters rise, slight organic growth
- Price pressure in Germany continues to restrain stronger growth
- UK business remains weakened by Brexit
- EBIT absorbs 0.8 million euros integration costs from LASERLINE
- Price pressure, rebates with resellers, increased material costs (due to rises in paper prices) cause the gross margin to decline
- Increases in personnel costs, mainly as a result of increases in salaries, not so much caused by new recruitments
- Increased other expenses add to negative effect on costs: increased costs for logistics due to express deliveries to guarantee delivery time commitments and through international growth (more expensive international shipping)
- PPA-effect (Saxoprint): 0.5 million euros (Q1-Q3 2017: 0.5 million euros)

*Rounding differences may occur.*

# Agenda

## 1. Results

- Photofinishing

- Commercial Online-Print

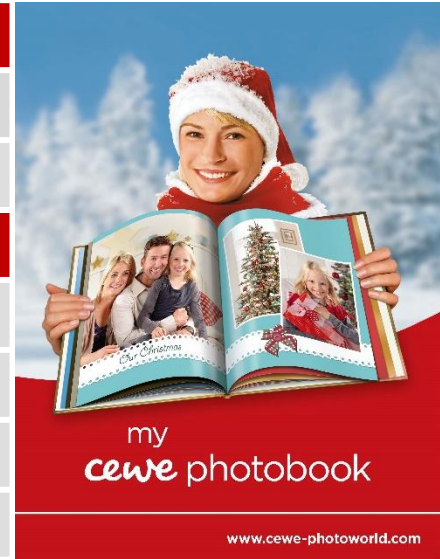
### - Retail

- Other

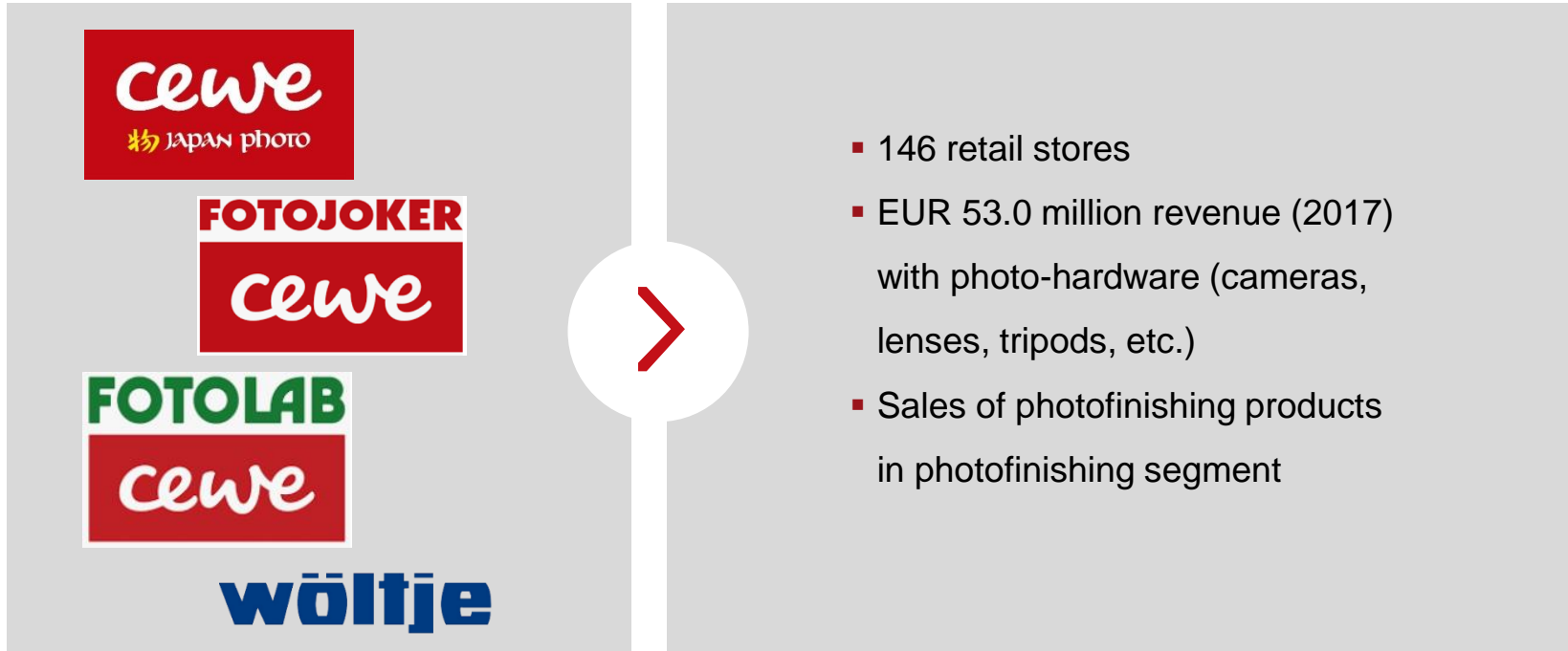
- Group

## 2. Financial Report

## 3. Outlook



# CEWE´s retail business

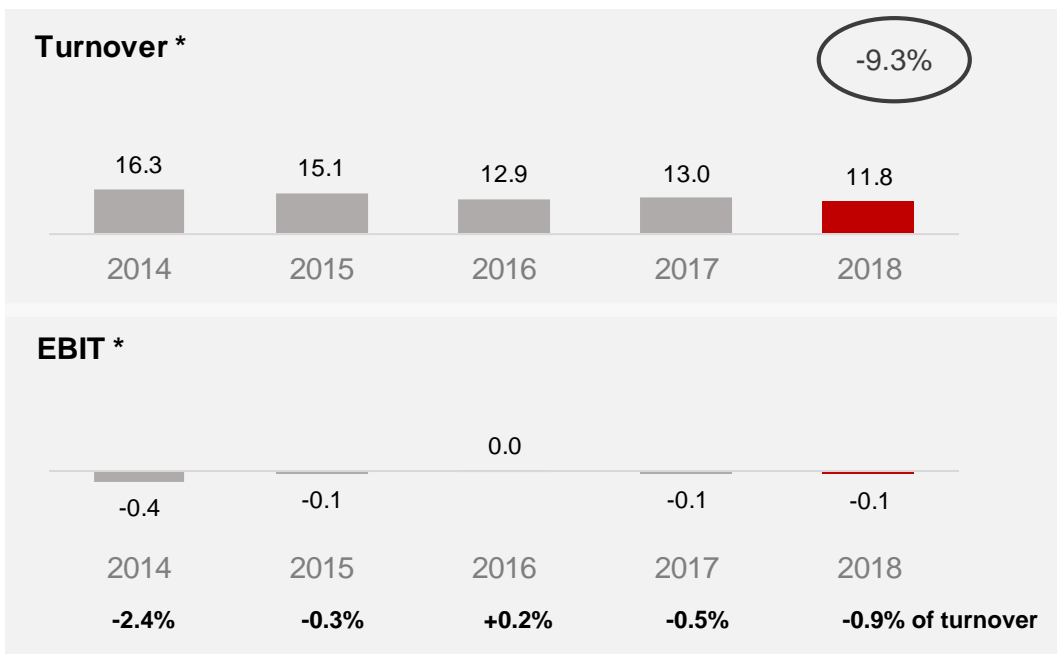


- > Retail segment contains hardware revenue only, photofinishing revenue is shown in photofinishing segment
- > Own retail business provides an excellent window to the market



# Business segment Retail\* Q3

in Euro millions



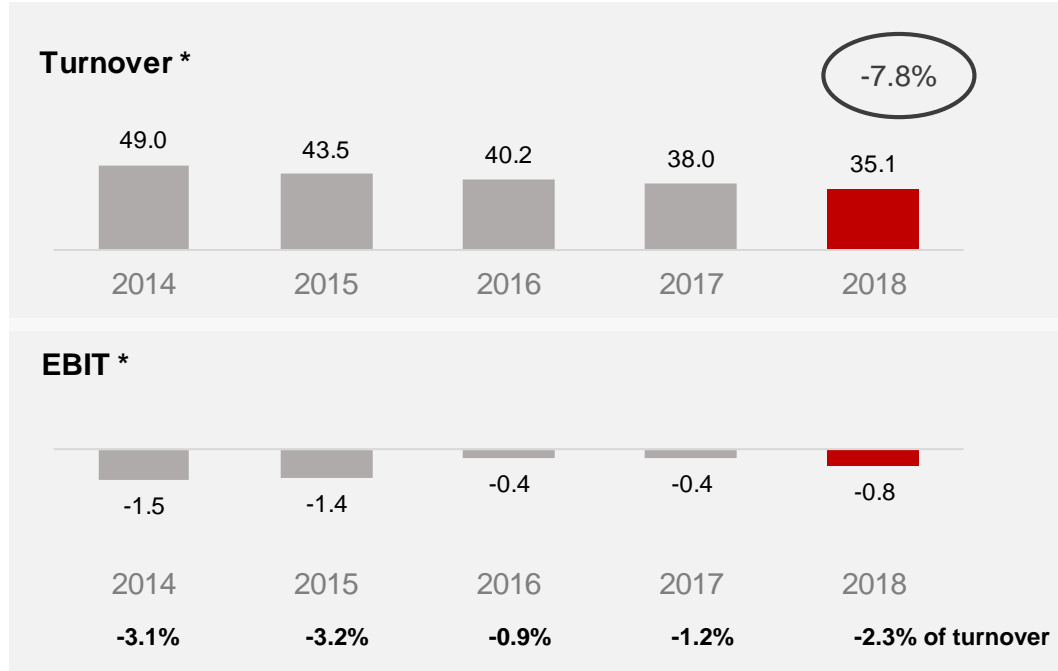
- Focus on photofinishing products (reported in the photofinishing business segment) continues to reduce hardware sales
- Also optimised price strategy for reinforcing photo hardware margins involving a conscious relinquishment of low-margin sales and let sales continue to shrink
- "Wait-and-see" effects prior to photokina (presentation of new camera models) do promote neither sales ...
- ... nor profits
- Third quarter tends to be slightly negative for seasonal reasons
- Focussing on margins sees earnings only moderately weaker than in the same quarter of the previous year, in spite of a decline in turnover

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

- > Hardware turnover remains in decline in Q3
- > Q3 EBIT tends to be slightly negative for seasonal reasons

# Business segment Retail\* Q1-Q3

in Euro millions



- Focus on photofinishing products (reported in the photofinishing business segment) reduces hardware sales (e.g. in Sweden no longer any hardware in CEWE stores)
- Also optimised price strategy for reinforcing photo hardware margins involving a conscious relinquishment of low-margin sales and let sales continue to shrink
- Extremely warm weather conditions also reduced customer frequency, particularly in the second quarter
- "Wait-and-see" effects prior to photokina (presentation of new camera models) do promote neither sales ...
- ... nor profits
- First nine months tend to be negative for seasonal reasons
- Focussing on margins sees earnings only moderately weaker than in the same quarter of the previous year, in spite of a decline in turnover
- Slightly increased value allowances resulting from the devaluation of slow-moving inventory products also have the effect of reducing earnings

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

- > Hardware turnover also generally still in decline in 2018
- > Traditional season-related negative EBIT in the first nine months

# Agenda

## 1. Results

- Photofinishing

- Commercial Online-Print

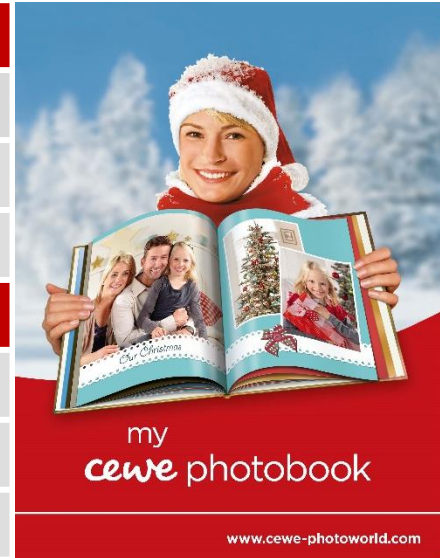
- Retail

- Other

- Group

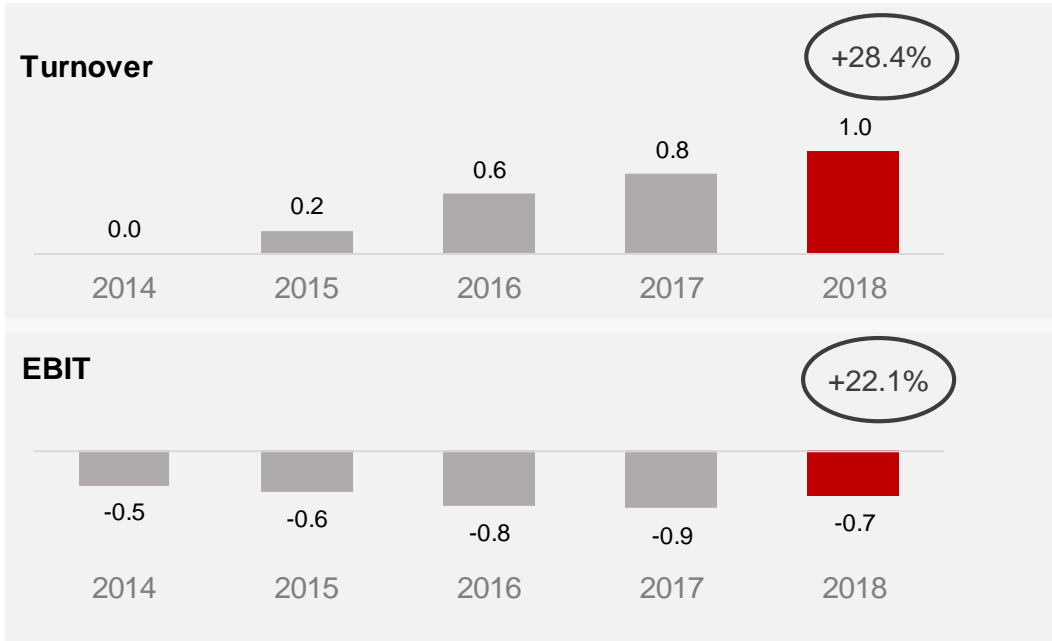
## 2. Financial Report

## 3. Outlook



# Business segment Other Q3

in Euro millions



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.

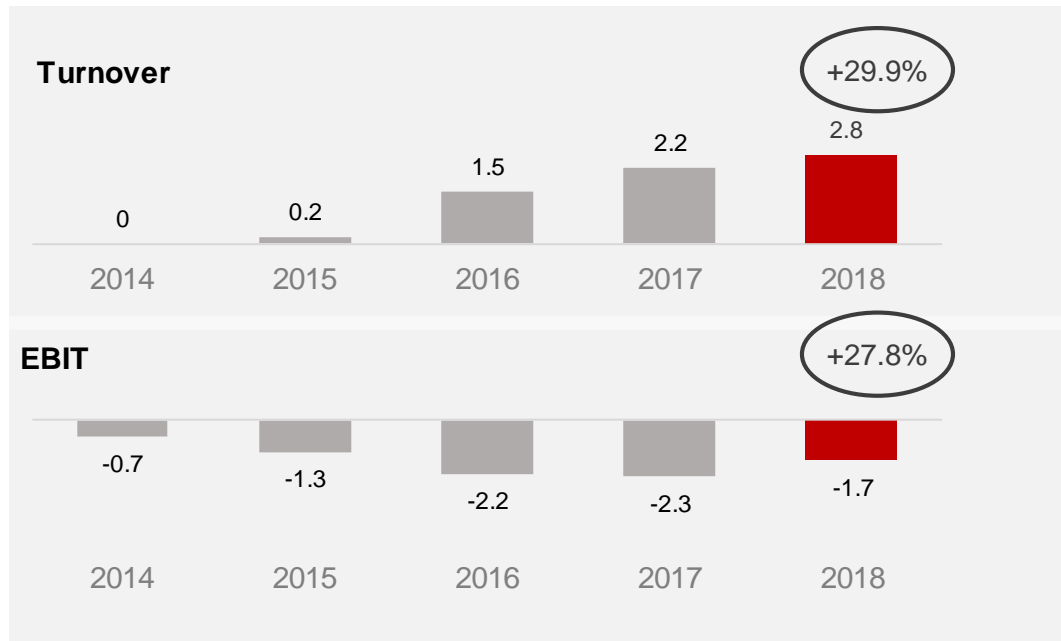
- The 1.0 million euros reported in turnover is to be exclusively allocated to futalis (Q3 2017: 0.8 million euros)
- EBIT improved also through rental income of „Saxopark“-property in Dresden

➤ Segment for other business raises turnover and improves earnings

Rounding differences may occur.

# Business segment Other Q1-Q3

in Euro millions



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 2.8 million euros reported in turnover is to be exclusively allocated to futalis (Q1-3 2017: 2.2 million euros)
- EBIT improved also through rental income of „Saxopark“-property in Dresden

## > Business segment other increases turnover and improves earnings

Rounding differences may occur.

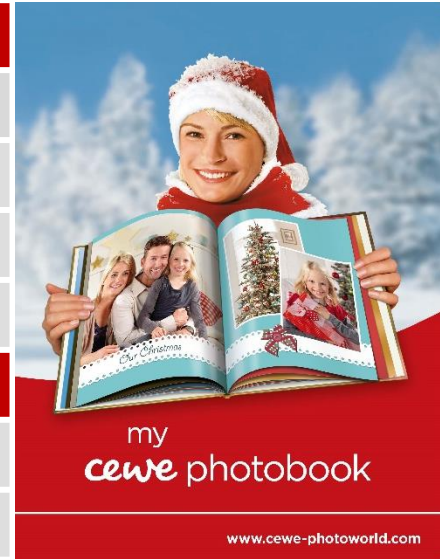
# Agenda

## 1. Results

- Photofinishing
- Commercial Online-Print
- Retail
- Other

### - Group

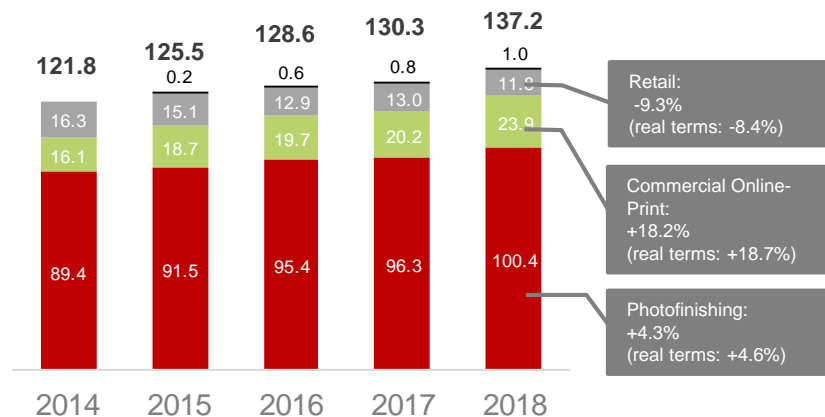
- 2. Financial Report
- 3. Outlook



# Turnover

## Q3 in euro millions

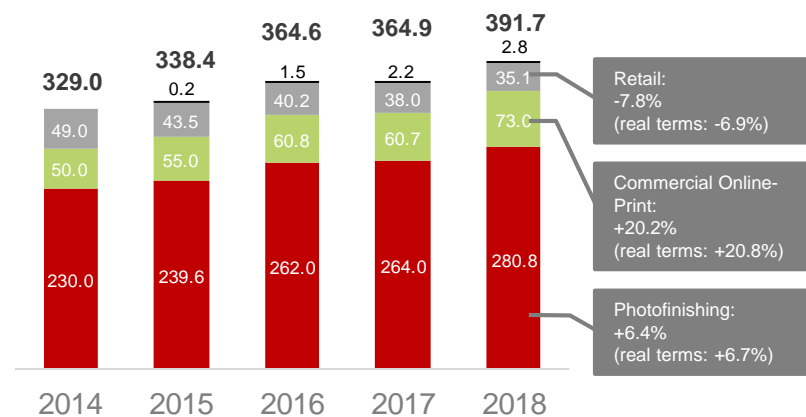
+5.3%  
Real terms:  
+5.6%



■ Photofinishing ■ Commercial Online-Print ■ Retail ■ Other

## Q1-Q3 in euro millions

+7.3%  
Real terms:  
+7.7%



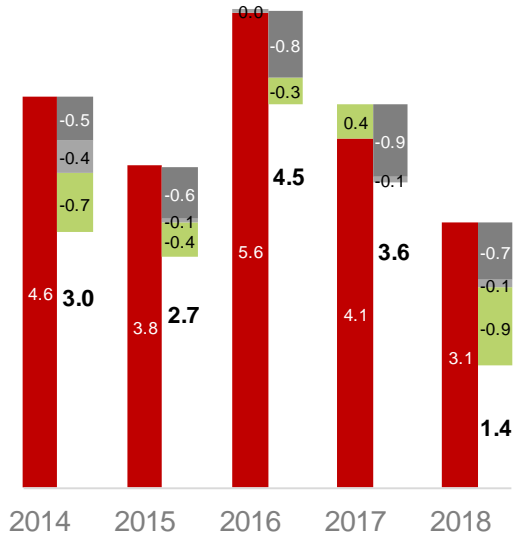
■ Photofinishing ■ Commercial Online-Print ■ Retail ■ Other

## Business segments of photofinishing and commercial online printing account for growth in Group turnover in Q3 and Q1-Q3

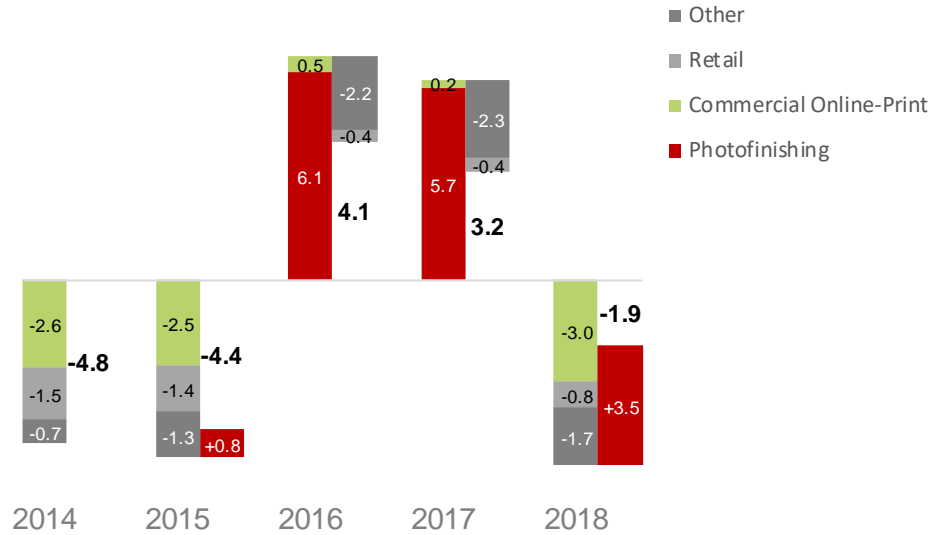
2014: Turnover after reclassification of advertising subsidies.  
Rounding differences may occur.

# EBIT

**EBIT Q3**  
Euro millions



**EBIT Q1-Q3**  
in euro millions



> **Group EBIT esp. due to acquisitions in Q3 below previous year**

*Rounding differences may occur.*



# Agenda

## 1. Results

- Photofinishing

- Commercial Online-Print

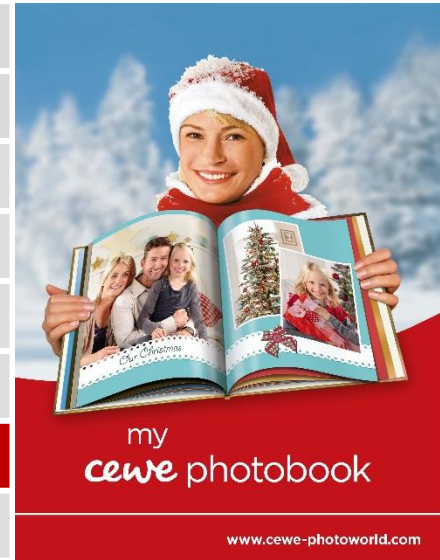
- Retail

- Other

- Group

## 2. Financial Report

## 3. Outlook

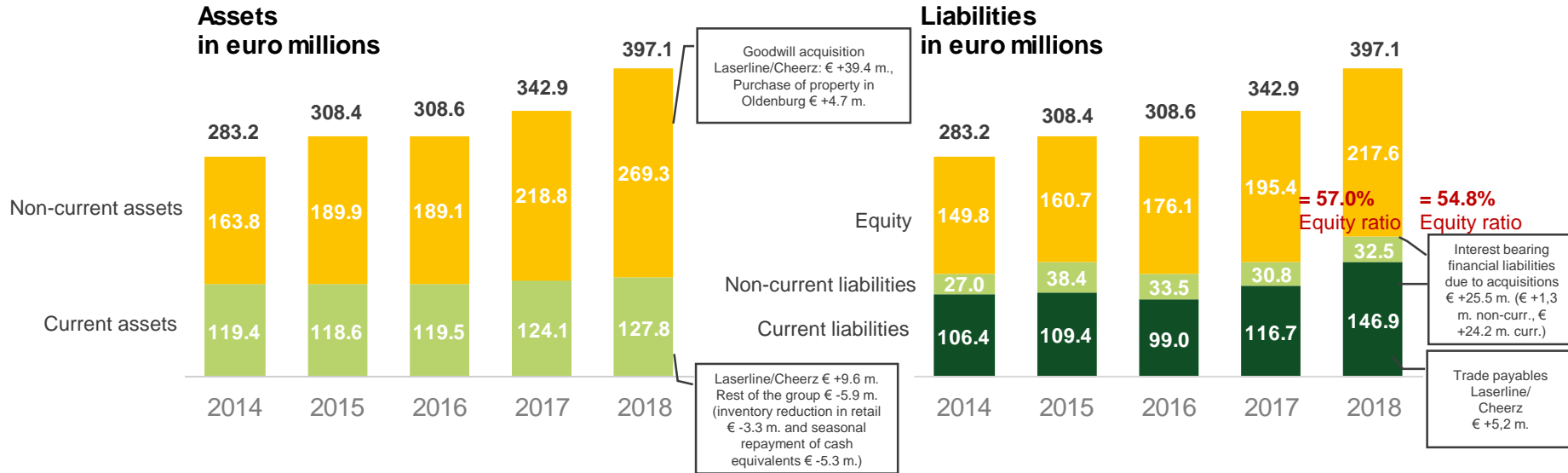


# Consolidated profit and loss account Q3

<i>Figures in millions of euros</i>	Q3 2017	Q3 2018	Δ as %	Δ as m€	
Revenues	130,3	137,2	5,3%	6,9	→ Turnover growth in Photofinishing and Commercial Online-Print more important than decline in Retail
Increase / decrease in finished and unfinished goods	0,1	0,3	438%	0,2	
Other own work capitalised	0,2	0,2	-12,1%	0,0	→ Disposal of assets and release of accruals
Other operating income	3,7	6,9	83,6%	3,1	
Cost of materials	-40,6	-40,7	0,2%	-0,1	
<b>Gross profit</b>	<b>93,7</b>	<b>103,8</b>	<b>10,8%</b>	<b>10,1</b>	
Personnel expenses	-37,5	-41,6	11,0%	-4,1	→ Mainly attributable to acquisition of Cheerz and LASERLINE and to a few recruitments in central functions (R&D, Marketing) of Photofinishing; running up for christmas
Other operating expenses	-43,6	-51,2	17,5%	-7,6	
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>12,6</b>	<b>11,0</b>	<b>-12,7%</b>	<b>-1,6</b>	→ Acquisition of Cheerz and LASERLINE and running up for christmas
Amortisation of intangible assets, depreciation of property, plant and equipment	-9,0	-9,6	6,1%	-0,6	
<b>Earnings before interest, taxes (EBIT)</b>	<b>3,6</b>	<b>1,4</b>	<b>-60,0%</b>	<b>-2,2</b>	
Financial income	0,2	0,0	-90,6%	-0,2	→ Less income from investments and previous year interest income due to tax refund
Financial expenses	-0,1	-0,2	205%	-0,2	
<b>Financial result</b>	<b>0,2</b>	<b>-0,2</b>	<b>-</b>	<b>-0,4</b>	
<b>Earnings before taxes (EBT)</b>	<b>3,8</b>	<b>1,2</b>	<b>-67,6%</b>	<b>-2,5</b>	

Rounding differences may occur.

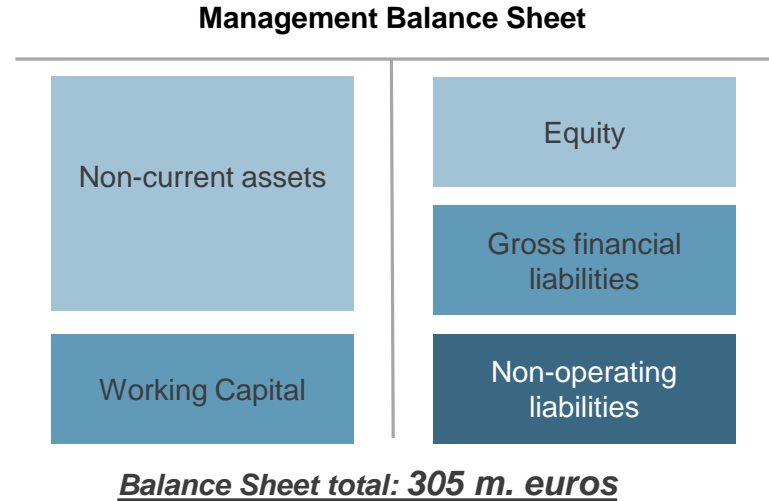
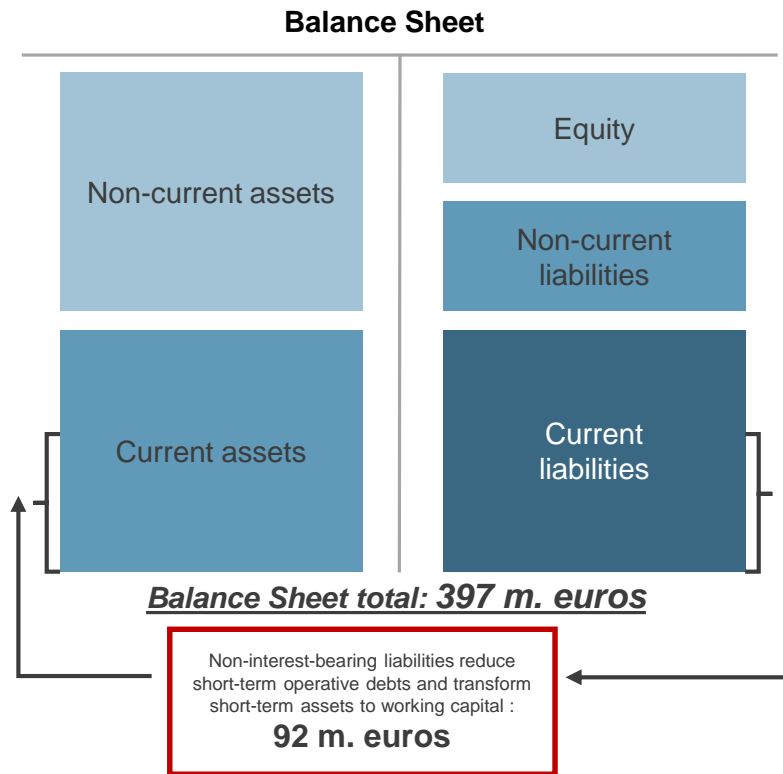
# Balance Sheet at 30 September



- > Total assets increased mainly due to acquisitions
- > Positive income increases equity and maintains capital ratio at 54.8% despite the extension of the balance sheet

*Rounding differences may occur.*

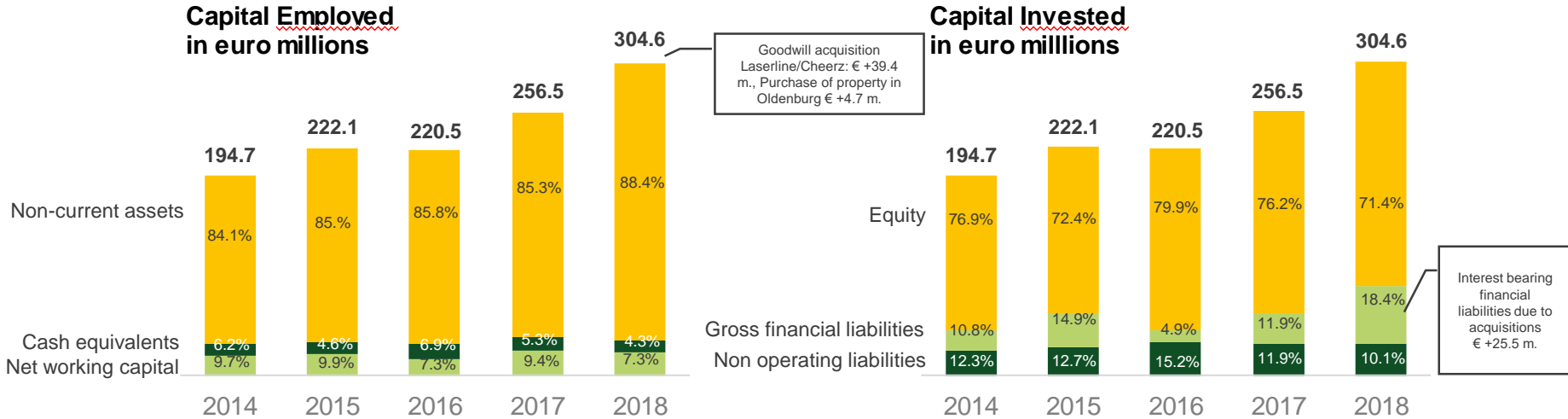
# From Accounting Balance Sheet to Management Balance Sheet



- > 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 at 30 September



- Increase in long-term assets and gross financial liabilities due to acquisitions (Laserline and Cheerz)
- Net working capital down due to seasonal increase in trade payables

*Rounding differences may occur.*

# Capital employed I: T-3

<i>Figures in millions of euros</i>	June 30, 2018	Sep. 30, 2018	Δ as %	Δ as m€	
Property, plant and equipment	153.7	154.5	0.5%	0.8	→ Investments in digital printing and finishing as well as point of sale presences
Investment properties	17.8	17.7	-0.8%	-0.1	
Goodwill	65.2	65.2	0.0%	0.0	
Intangible assets	15.4	15.4	-0.2%	0.0	
Financial assets	7.6	6.4	-15.6%	-1.2	→ Sale of remaining shares of a start-up company
Non-current financial assets	0.9	1.2	31.8%	0.3	
Non-current other receivables and assets	0.4	0.4	-5.4%	0.0	
Deferred tax assets	9.0	8.6	-4.0%	-0.4	→ Decrease of retail merchandise inventories; On the whole stocking up for Christmas season
<b>Non-current assets</b>	<b>270.0</b>	<b>269.3</b>	<b>-0.3%</b>	<b>-0.7</b>	
Inventories	47.0	47.4	0.8%	0.4	→ Increase follows sales growth
+ Current trade receivables	39.2	41.5	6.1%	2.4	
<b>= Operating gross working capital</b>	<b>86.2</b>	<b>89.0</b>	<b>3.2%</b>	<b>2.8</b>	→ Business-driven increase due to sales growth and stocking-up for the Christmas season
- Current trade payables	55.7	59.1	6.2%	3.5	
<b>= Operating net working capital</b>	<b>30.5</b>	<b>29.8</b>	<b>-2.4%</b>	<b>-0.7</b>	

Rounding differences may occur.

# Capital employed II: T-3

<i>Figures in millions of euros</i>	June 30, 2018	Sep. 30, 2018	Δ as %	Δ as m€	
Assets held for sale	1.4	0.0	-100%	-1.4	
+ Current receivables from income tax refunds	10.7	14.4	34.8%	3.7	→ Accounting of tax prepayments at balance sheet date
+ Current financial assets	2.6	2.9	12.6%	0.3	
+ Other Current receivables and assets	9.0	8.5	-5.5%	-0.5	
<b>= Other gross working capital</b>	<b>23.7</b>	<b>25.8</b>	<b>9.0%</b>	<b>2.1</b>	→ Usage of prepaid expenses and deferred charges
- Current tax liabilities	2.7	2.7	-1.1%	0.0	
- Current other accruals	3.2	3.0	-7.2%	-0.2	
- Current financial liabilities	3.0	2.6	-12.7%	-0.4	
- Current other liabilities	22.8	25.0	9.8%	2.2	→ Increase of payroll liabilities for performance-related and christmas bonuses
<b>= Other net working capital</b>	<b>-8.1</b>	<b>-7.5</b>	<b>-6.8%</b>	<b>0.6</b>	
Operating net working capital	30.5	29.8	-2.4%	-0.7	
- Other net working capital	-8.1	-7.5	-6.8%	0.6	
<b>= Net working capital</b>	<b>22.5</b>	<b>22.3</b>	<b>-0.8%</b>	<b>-0.2</b>	
Non-current assets	270.0	269.3	-0.3%	-0.7	
+ Net working capital	22.5	22.3	-0.8%	-0.2	
+ Cash and cash equivalents	11.7	13.0	10.9%	1.3	→ Free cash flow increases cash and cash equivalents
<b>= Capital employed</b>	<b>304.2</b>	<b>304.6</b>	<b>0.1%</b>	<b>0.4</b>	

Rounding differences may occur.

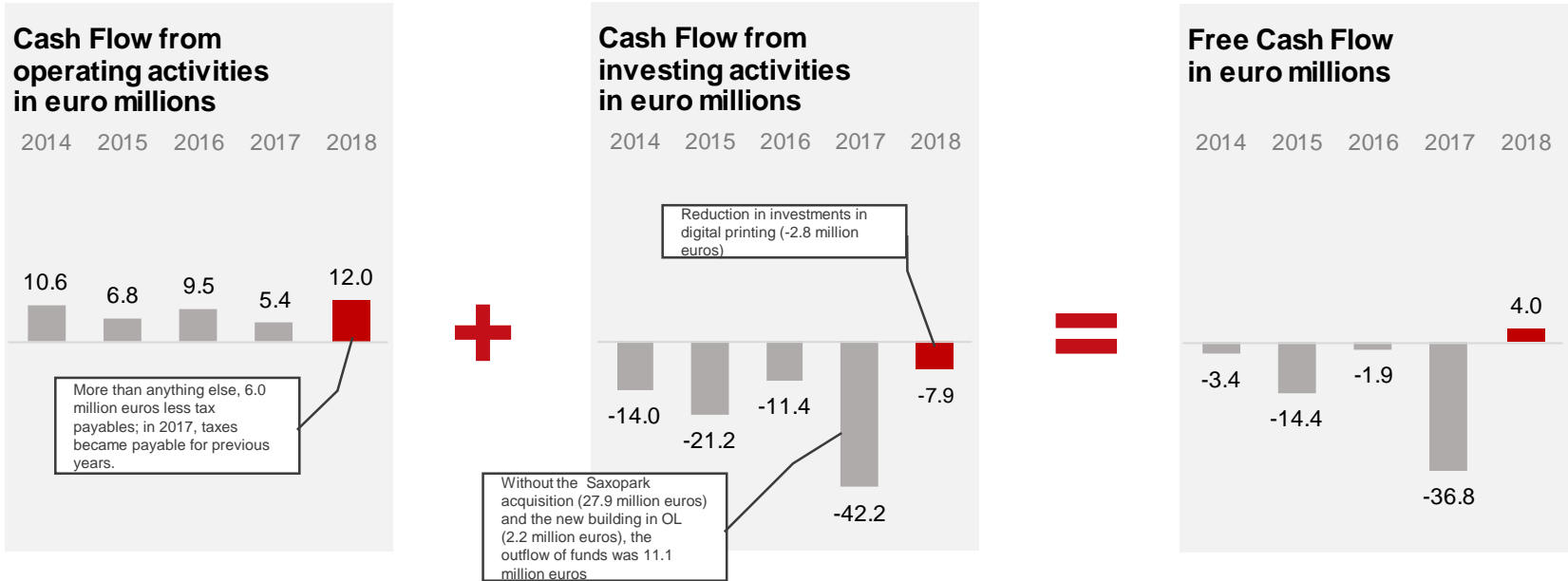
# Capital invested: T-3

<i>Figures in millions of euros</i>	June 30, 2018	Sep. 30, 2018	Δ as %	Δ as m€	
<b>Equity</b>	<b>215.0</b>	<b>217.6</b>	<b>1.2%</b>	<b>2.7</b>	
Non-current accruals for pensions	28.1	28.5	1.4%	0.4	→ Addition to the pension provision
+ Non-current deferred tax liabilities	1.5	1.5	0.0%	0.0	
+ Non-current financial liabilities	0.1	0.1	0.0%	0.0	
+ Non-current other liabilities	0.7	0.7	-3.5%	0.0	
<b>= Non-operating liabilities</b>	<b>30.5</b>	<b>30.8</b>	<b>1.3%</b>	<b>0.4</b>	
Non-current interest-bearing financial liabilities	1.8	1.7	-5.2%	-0.1	
+ Current interest-bearing financial liabilities	57.0	54.5	-4.4%	-2.5	→ Repayment of current financial liabilities
<b>= Gross financial liabilities</b>	<b>58.8</b>	<b>56.2</b>	<b>-4.4%</b>	<b>-2.6</b>	
<b>= Capital invested</b>	<b>304.2</b>	<b>304.6</b>	<b>0.1%</b>	<b>0.4</b>	

*Rounding differences may occur.*



# Free-Cash Flow Q3



- Cash flow from operating activities increased, mainly as a result of the discontinuation of higher tax payments in 2017 (advance tax payments and tax payments for previous years)
- Net cash used in 2017 was dominated by acquisition of Saxopark

*Rounding differences may occur.*

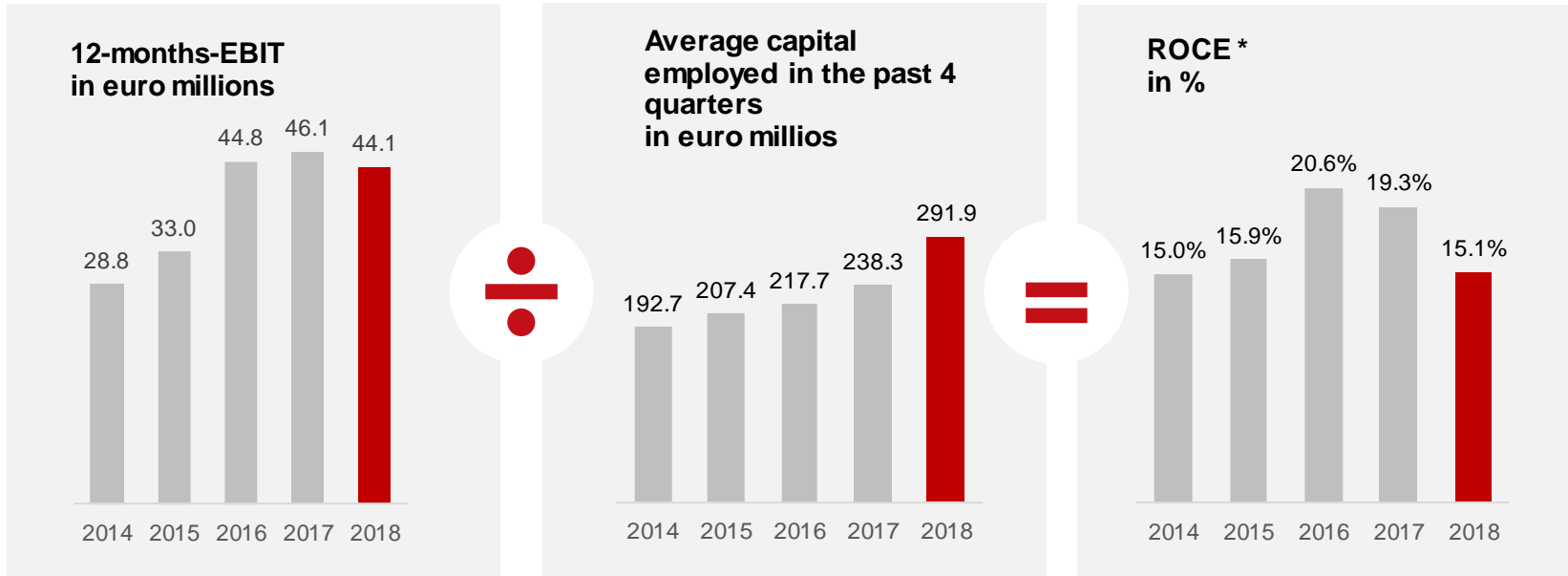
# Consolidated free cash flow Q3

<i>Figures in millions of euros</i>	Q3 2017	Q3 2018	Δ as %	Δ as m€	
<b>= EBITDA</b>	<b>12.6</b>	<b>11.0</b>	<b>-12.7%</b>	<b>-1.6</b>	→ (-) Reduced earnings situation
+/- Non-cash factors	0.9	0.0	-	-0.9	
+/- Decrease (+) / increase (-) in operating net working capital	-1.2	1.4	-216%	2.5	→ (+) More seasonal increase of trade payables
+ Decrease (+) in other net working capital (excluding income tax items)	2.5	3.2	26.9%	0.7	
- Taxes paid	-9.6	-3.6	-62.6%	6.0	→ (+) Lower tax prepayments and absence of tax payments for previous years
+ Interest received	0.1	0.0	-89.0%	-0.1	
<b>= Cash flow from operating activities</b>	<b>5.4</b>	<b>12.0</b>	<b>123%</b>	<b>6.6</b>	
- Outflows from investments in fixed assets	-42.2	-11.1	-73.6%	31.1	→ (+) Previous year: Investment "Saxopark" in Dresden
+/- Outflows (-) / inflows (+) from investments in financial assets	-0.2	2.0	-	2.2	
- Outflows from investments in non-current financial instruments	0.0	-0.3	>1000%	-0.3	
+ Inflows from the sale of property, plant and equipment and intangible assets	0.3	1.5	460%	1.2	
<b>= Cash flow from investing activities</b>	<b>-42.2</b>	<b>-7.9</b>	<b>-81.2%</b>	<b>34.2</b>	
<b>= Free cash flow</b>	<b>-36.8</b>	<b>4.0</b>	<b>-</b>	<b>40.8</b>	→ (+) Sale of remaining shares of a start-up company

Rounding differences may occur.

# ROCE

as of September 30



➤ **Saxopark purchase and latest acquisitions (LASERLINE and Cheerz) raise average capital employed causing ROCE to drop to season-related low of 15.1%**

*ROCE = EBIT / ∅ Capital Employed.  
Rounding differences might occur.*

# Agenda

## 1. Results

- Photofinishing

- Commercial Online-Print

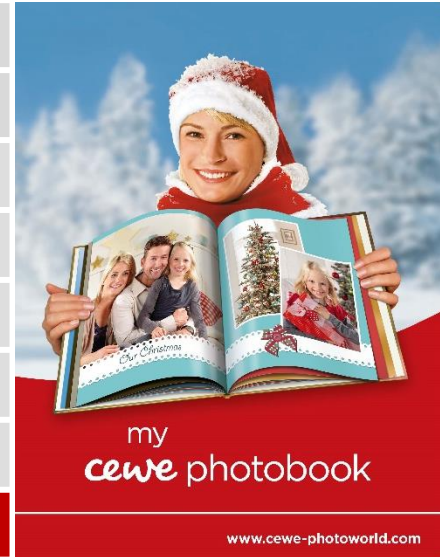
- Retail

- Other

- Group

## 2. Financial Report

## 3. Outlook



# 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	
<b>Revenue</b>	<b>Euro millions</b>	<b>599.4</b>	<b>630 to 665</b>	<b>+5% to +11%</b>
<b>EBIT</b>	<b>Euro millions</b>	<b>49.2</b>	<b>48 to 54</b>	<b>-2% to +10%</b>
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.*

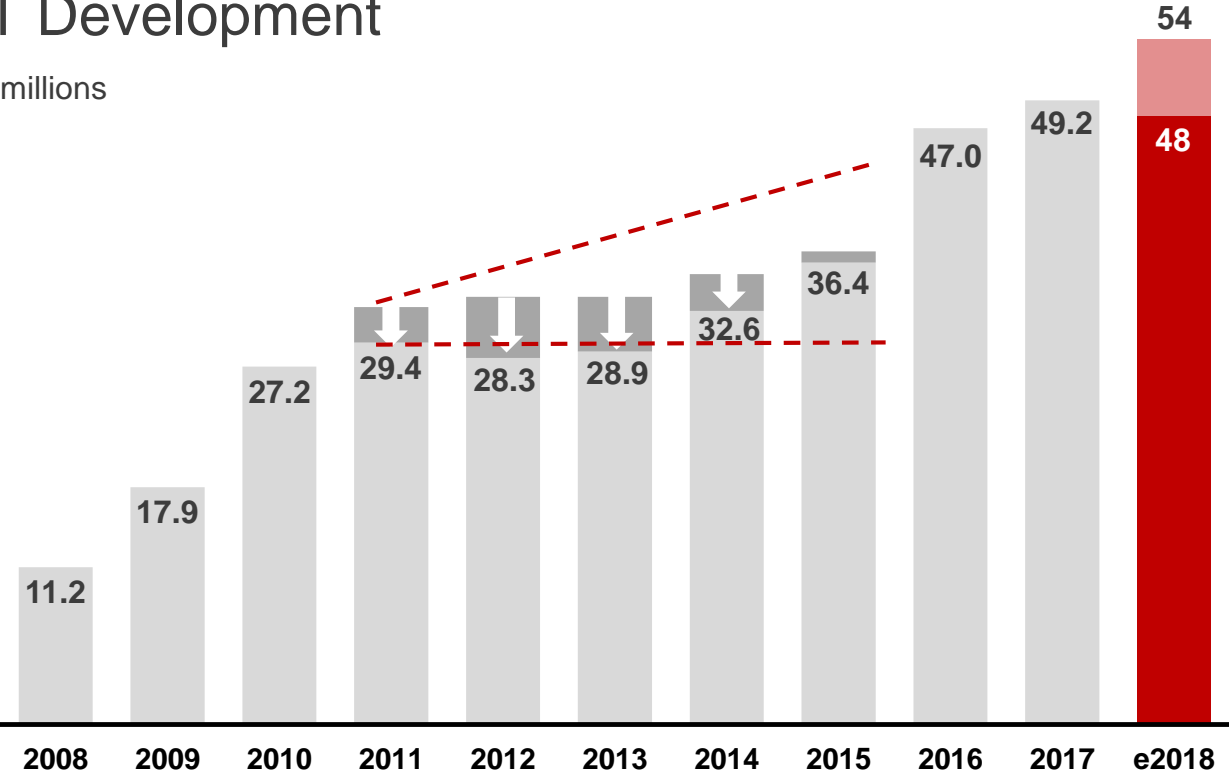
\* Operative investments without potential investments in expanding the business volume and, for example, corporate acquisitions and/or additional customer-base acquisitions

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

➤ **Q3 confirms the annual targets for 2018**

# EBIT Development

in Euro millions



> EBIT-target for 2018 expanded

■ = Commercial Online Print start-up costs

# Q&A-Session

Q3 2018 Analyst Conference Call

November 13, 2018

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