

# About CEWE

Introduction: CEWE Stiftung & Co.KGaA

December 2015



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



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

# About CEWE



CEWE supplies consumers with photos and digital print products via over-the counter trade as well as Internet sales.

CEWE is a service partner for the leading brands on the European photography market. In 2014 the company developed and produced 2.3 billion photos, also in 5.9 million CEWE PHOTOBOOKS and photo gifts. “CEWE PHOTOBOOK” (Europe’s leading photobook brand) and the company’s other product brands CEWE CALENDARS, CEWE CARDS and CEWE WALL ART, easy-to-use ordering applications (PC, Mac and the mobile iOS, Android and Windows), our high level of expertise in digital printing, the benefits of scale offered by our efficient industrial production and logistics system, broad distribution via the Internet, 30,000 retailers and over 20,000 CEWE INSTANT PHOTO stations are the key competitive advantages of CEWE’s Photofinishing business.

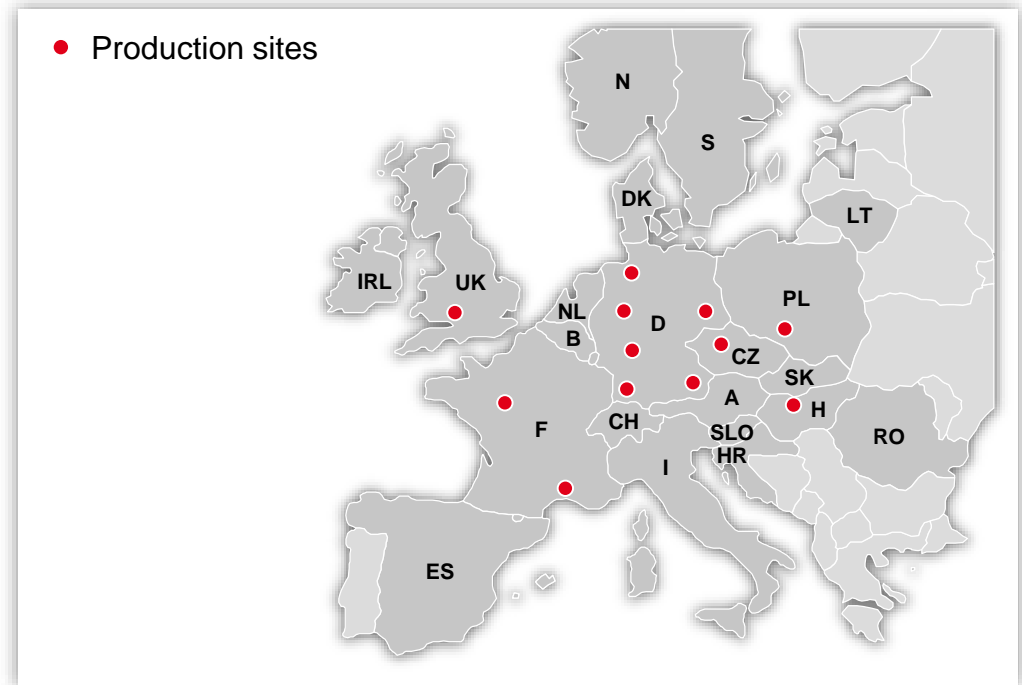
As well as these photo products, CEWE’s Retail business also distributes photographic hardware (e. g. cameras) in several countries.

Through its brands CEWE-PRINT, Saxoprint and Viaprinto, CEWE is increasingly serving customers as an online printing service provider through printed advertising media which can be ordered online, such as flyers, posters, brochures, business cards etc.

## ► **CEWE: Europe’s online printing and photo service**

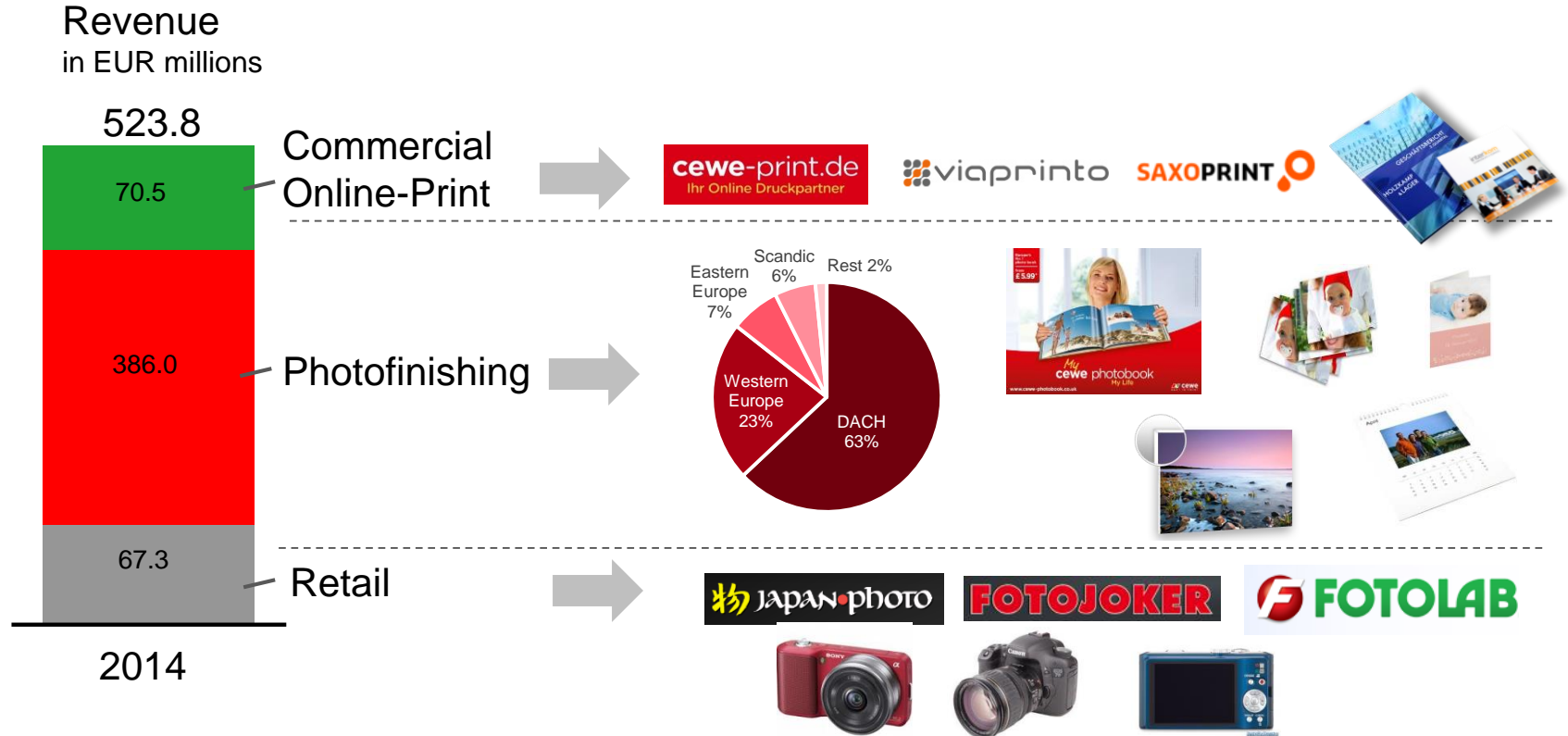
# 2015 corporate structure

- 12 production plants
- 24 European countries
- 3,200 employees
- 1,300 courier service drivers
- 30,000 retail partners (POS)
- EUR 523.8 million revenue (2014)



▶ **CEWE is the leading photo service company in Europe**

# Business segments of CEWE

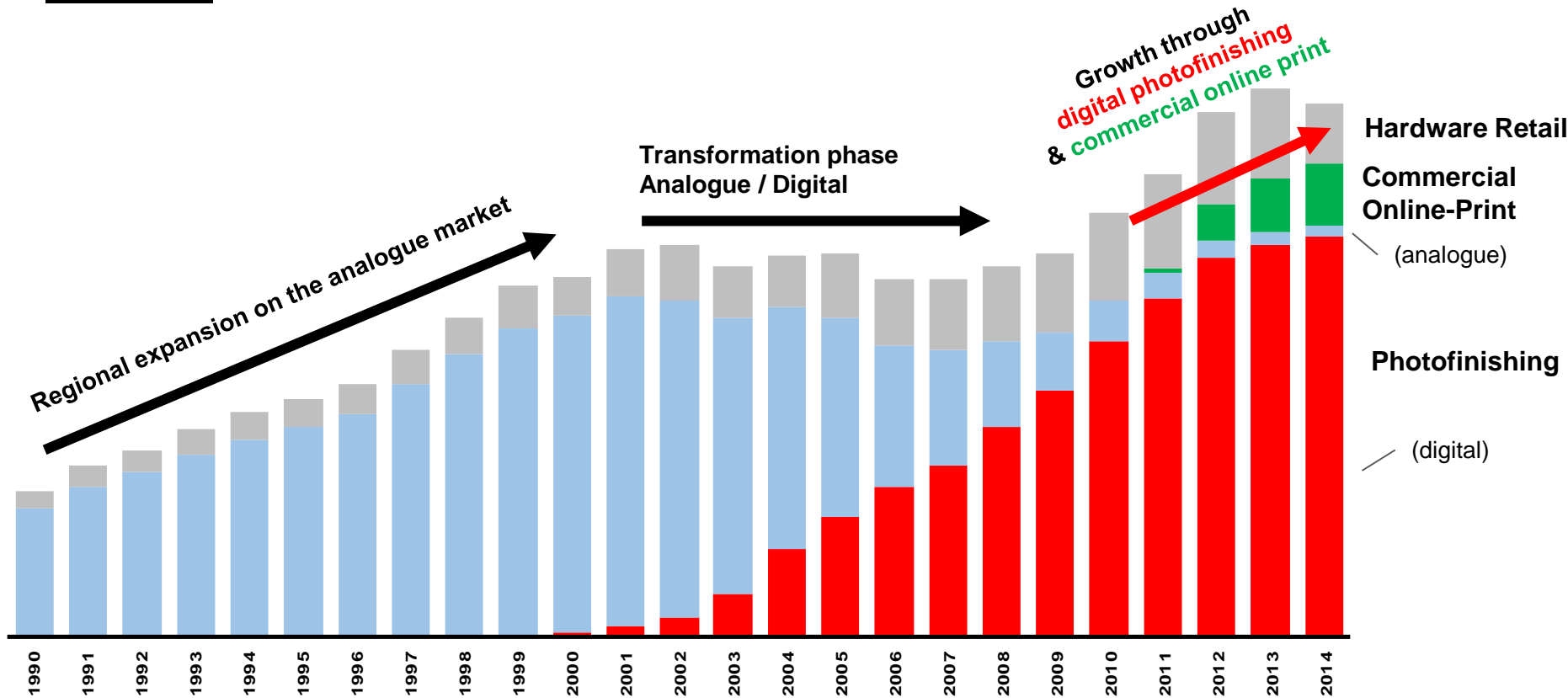


▶ Three business segments: Photofinishing, Retail and Commercial Online-Print

# CEWE growth phases

CONCEPTUAL

## Revenue



► **Commercial Online-Print is the growth driver**

# Agenda

## 1. Business Segments

### Photofinishing

Retail

Commercial Online-Print

## 2. CEWE group



# Industrial production plants

**CEWE operates 12 industrial production plants in Europe**

Four examples:

**Oldenburg** (headquarters)



**CEWE Munich**



**Saxoprint Dresden**

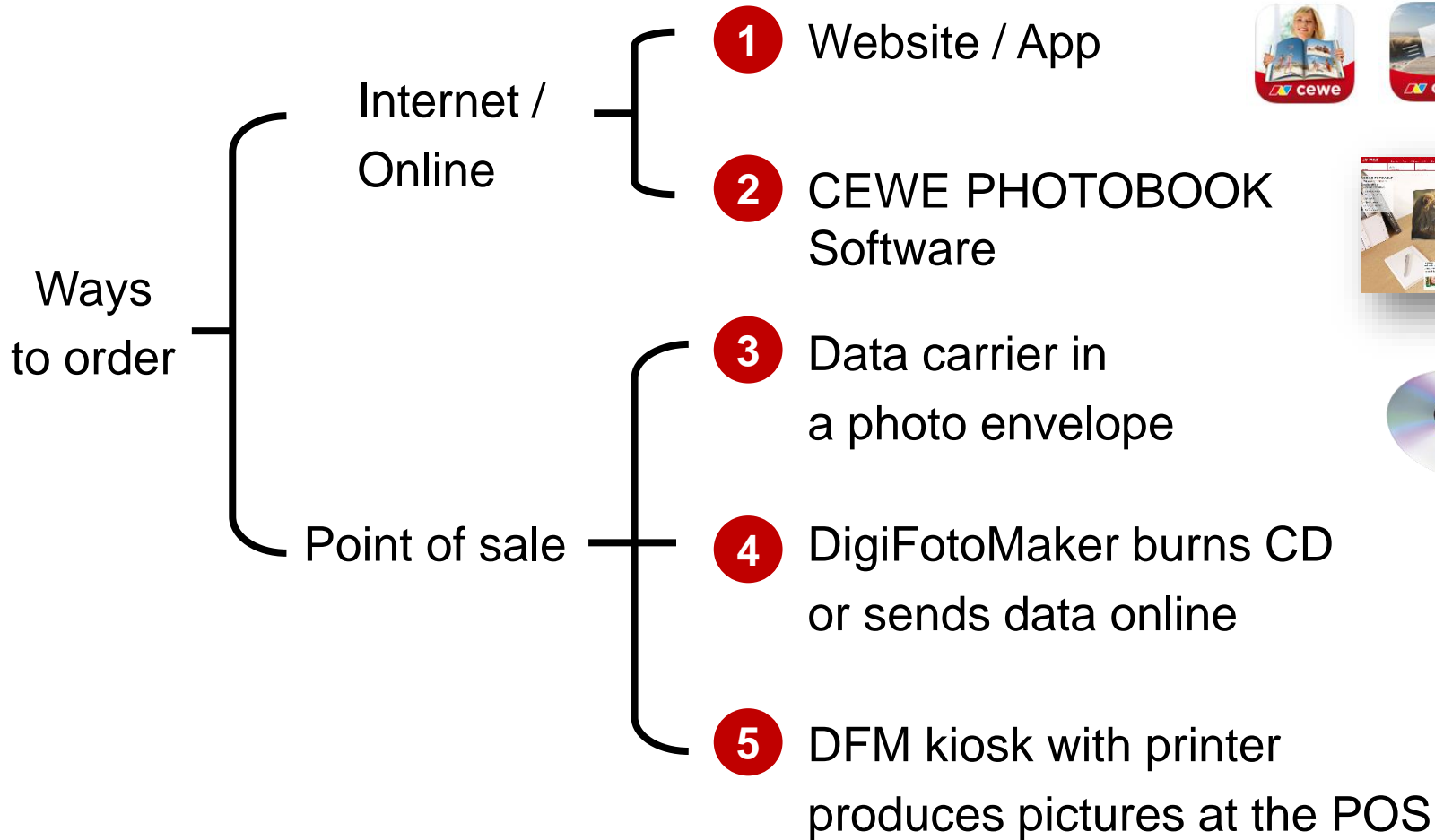


**CEWE Kozle (Poland)**



► **Economies of scale through industrial production processes**

# Different ways to order CEWE products



▶ CEWE offers all possible ways to place an order



# Overview CEWE photofinishing products

## Prints



## CEWE PHOTOBOOK



## CEWE CALENDAR



## CEWE CARDS



## CEWE WALL ART

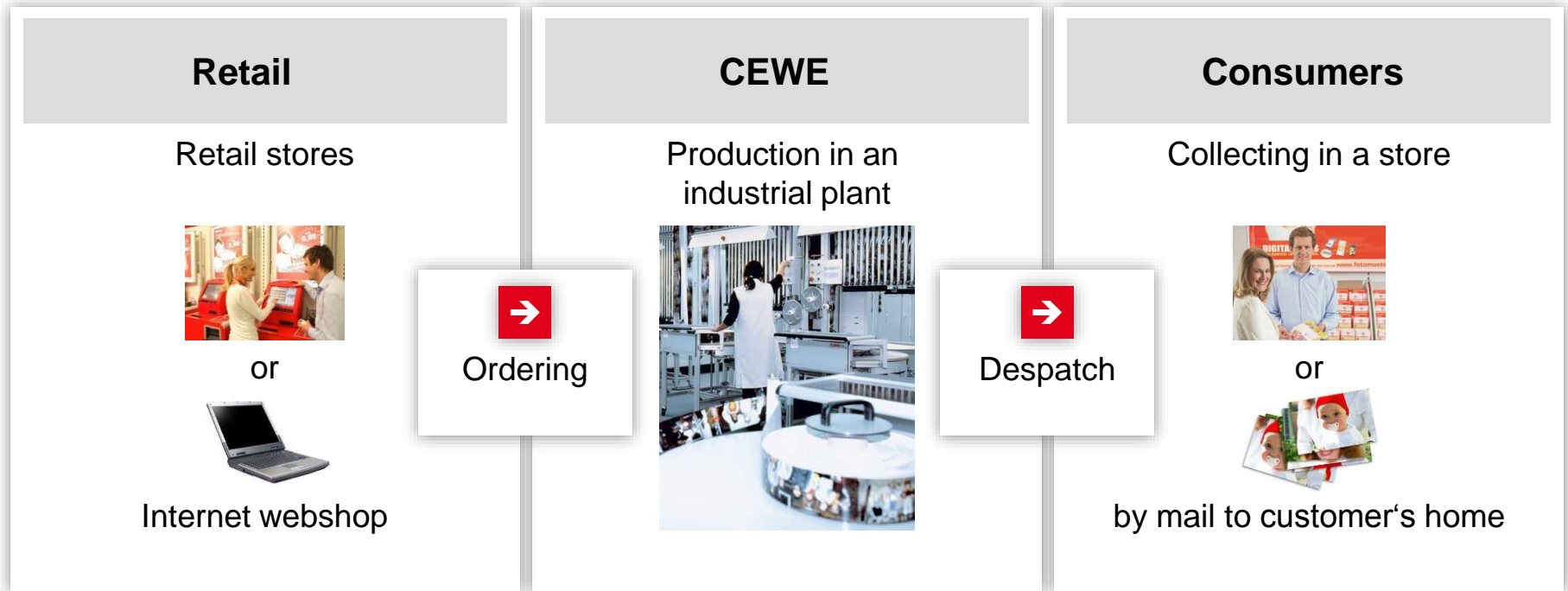


## Photo Gifts



► Full range of photo products

# Photo servicer for retailers



► Photo products are a service for retailers

# 30,000 retail partners in Europe

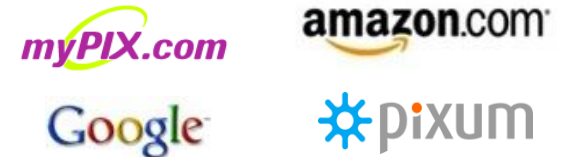
## Drugstores



## Photographic retailers



## Internet retailers



## Electronics retailers



## System partners



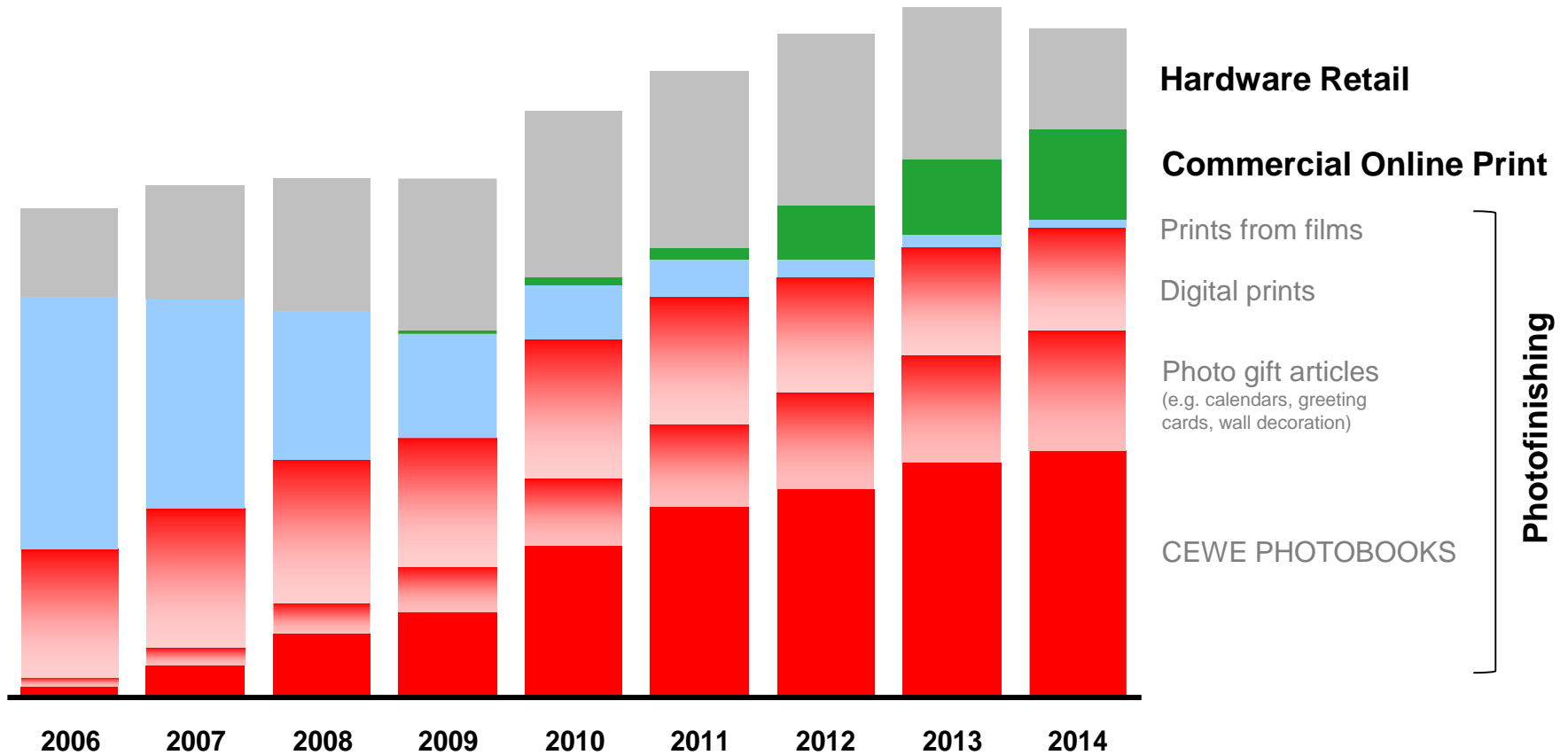
## Grocery & department stores



- ▶ CEWE reaches consumers through strong retail brands
- ▶ Retail partners invest in distribution and marketing
- ▶ Retail sales channels with online retailers and system partners

# Growth in revenue for various product groups

CONCEPTUAL

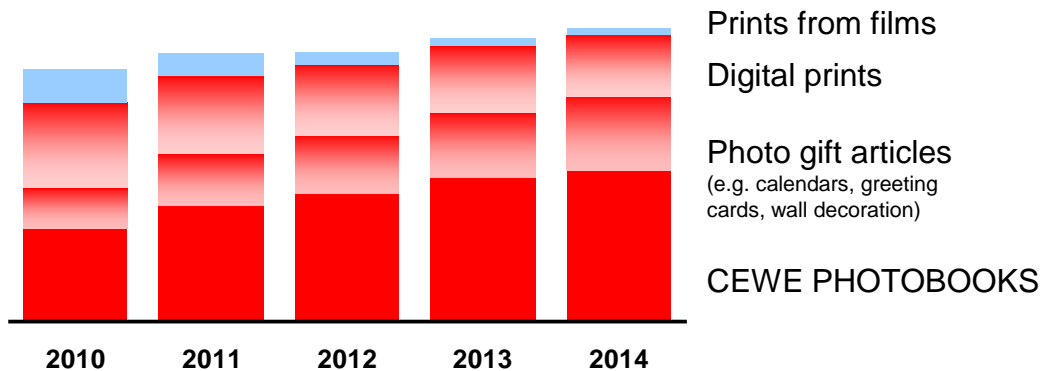


▶ **CEWE PHOTOBOOK and photo gift articles replace single-print revenue (analogue as well as digital)**

# Photofinishing: EBIT margin development

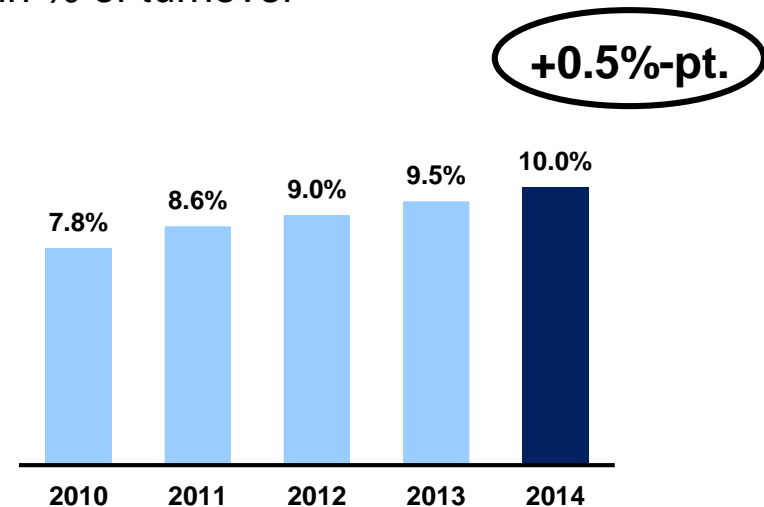
## Revenue photofinishing

in EUR millions



## EBIT margin photofinishing

in % of turnover



► Profitability in photofinishing continues to increase due to product mix shift

# Brand overview CEWE photofinishing




Europe's  
No. 1  
photo book

from  
**£ 5.99\***

Our fantastic  
summer holiday

**My  
cewe** photobook  
My Life

[www.cewe-photobook.co.uk](http://www.cewe-photobook.co.uk)

 **cewe**  
BEST IN PRINT

\*Recommended listed price for a "small" CEWE PHOTOBOOK including VAT. Price may be subject to packing and postage charge.

**My  
cewe** cards  
Sharing Joy

**My  
cewe** calendar  
Completely Personal

**My  
cewe** wall art  
Greatest Moments



# CEWE PHOTOBOOK: New TV campaign

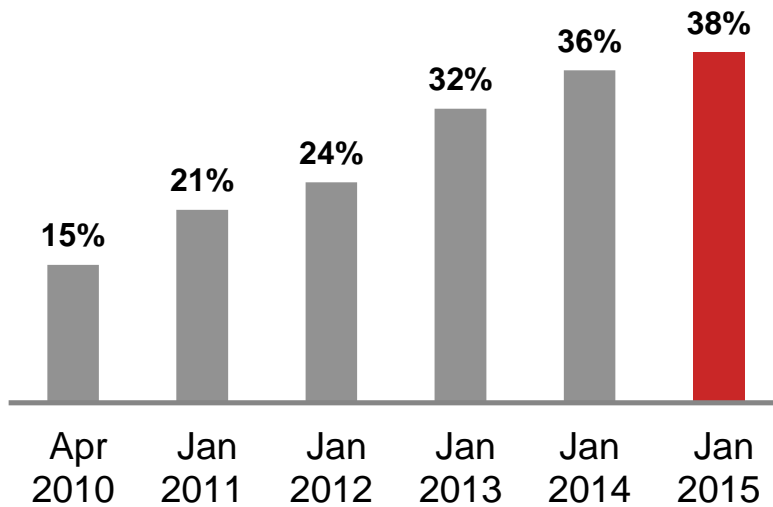
- with authentic customer opinions
- integrated communication



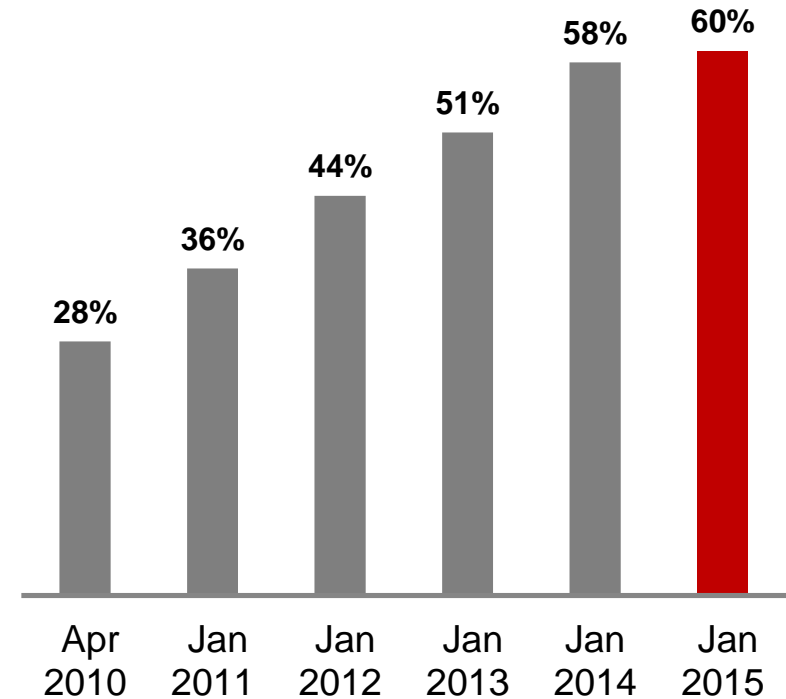
▶ **Multi-channel campaign starts with authentic customer opinions**

# Brand awareness CEWE PHOTOBOOK in Germany

Unaided brand awareness



Aided brand awareness



► **Brand awareness on significant high level**

Source: GfK

# CEWE Apps



CEWE PHOTOWORLD



CEWE POSTCARD



CEWE MY PHOTOS



CEWE BOOTH



CEWE HAPPY FACES



CEWE EFFECTS



CEWE PHOTO CONTEST



CEWE GOO



CEWE SERVICE



CEWE OPTIMIZE



CEWE ON TOUR



CEWE IR

► **CEWE's App offering supports mobile trend**

# CEWE position in photofinishing

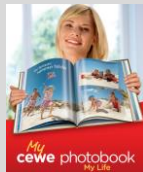
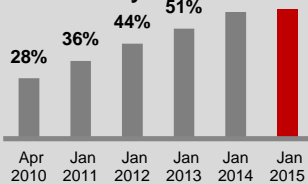
## CEWE is the market leader

- Natural consolidator
- High market share very likely to see the volumes of suppliers leaving the market shifting to CEWE
- CEWE PHOTO BOOK is the leading photo book (market share of 24% by volume):

- ✓ Outstanding software program with an assistant function
- ✓ Biggest product range
- ✓ Various designs
- ✓ Full customer service (7/9am-10pm)
- ✓ Best printing quality through separate optimisation each photo
- ✓ Excellent book-binding quality



- Aided brand awareness in Germany



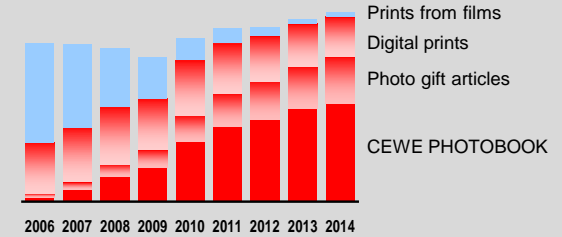
## “The trend is our friend”

- Online order and POS delivery is a USP
- Around 50% of customers chose to be fetched
- Increasing volume of photos from mobile devices
- Ordering via mobile devices

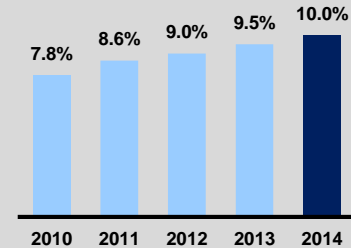


## Product mix shift raises margin

- Photofinishing revenue in EUR millions



- Photofinishing EBIT margin in % of turnover



- Profitability in photofinishing continues to increase due to product mix shift

▶ CEWE has a strong position in the market: high entrance barriers

# Latest Awards



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

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

Source: German consumer foundation (Stiftung Warentest)



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

Source: connect magazine

# Agenda

## 1. Business Segments

Photofinishing

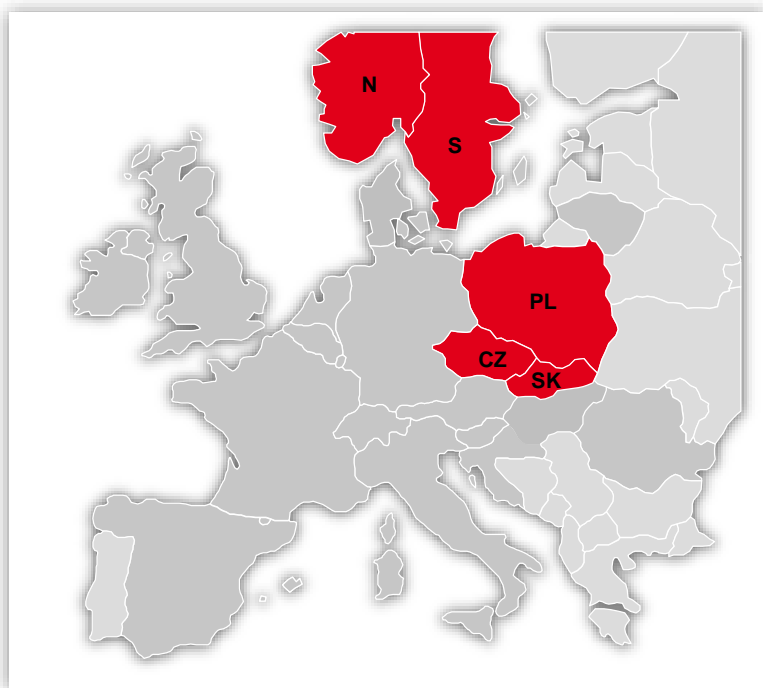
**Retail**

Commercial Online-Print

## 2. CEWE group



## CEWE's retail business

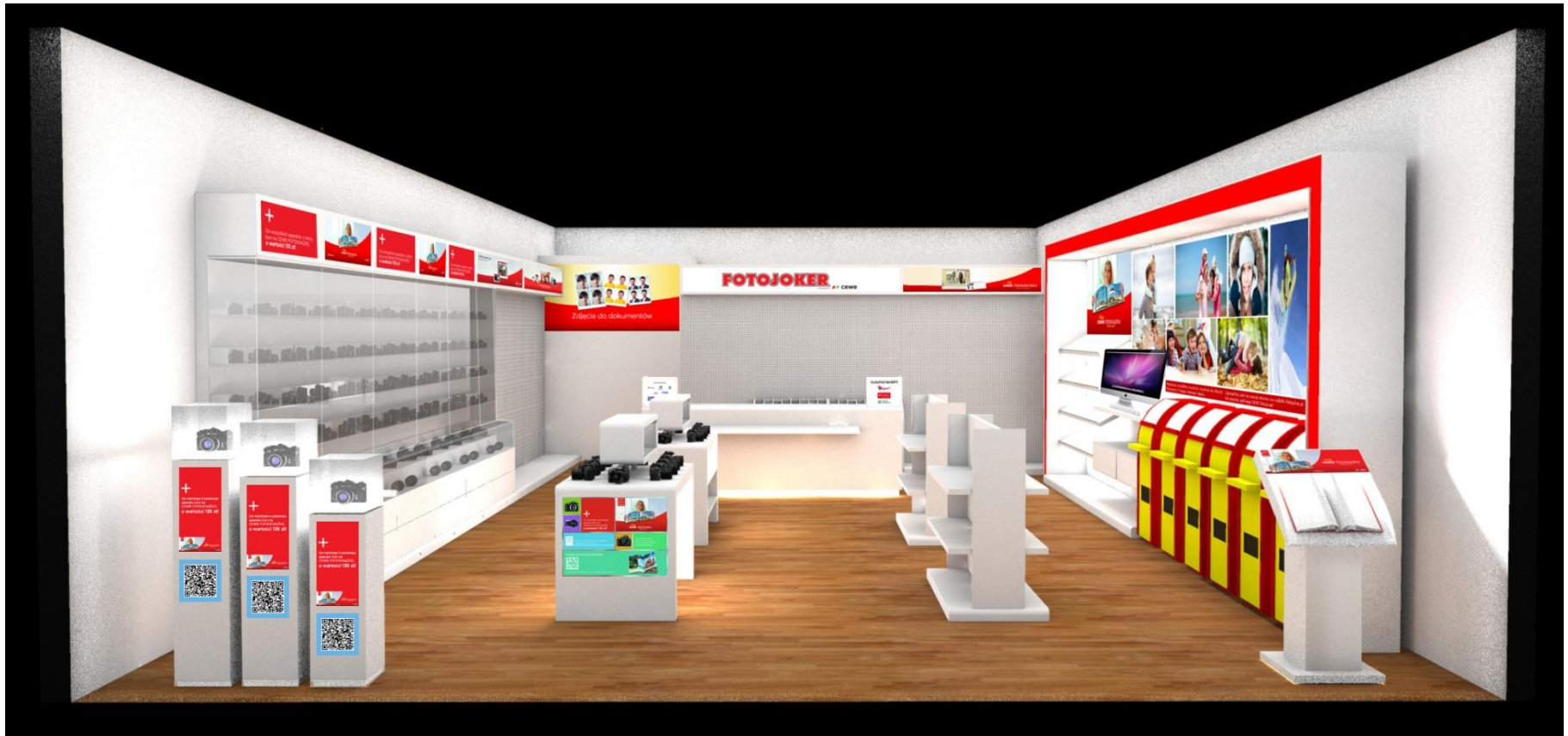


- 160 retail stores
- EUR 67,3 million revenue (2014) with photo-hardware (cameras, lenses, tripods, etc.)
- Sales of fotofinishing products in fotofinishing segment



- ▶ 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
- ▶ Hardware offering to support sale of photofinishing products

# Agenda

## 1. Business Segments

Photofinishing

Retail

## Commercial Online-Print

## 2. CEWE group

# Commercial Online Print Services

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

**SAXOPRINT**

**viaprinto**

Flyers



Brochures



Folders



Business cards



► Online printing for commercial use

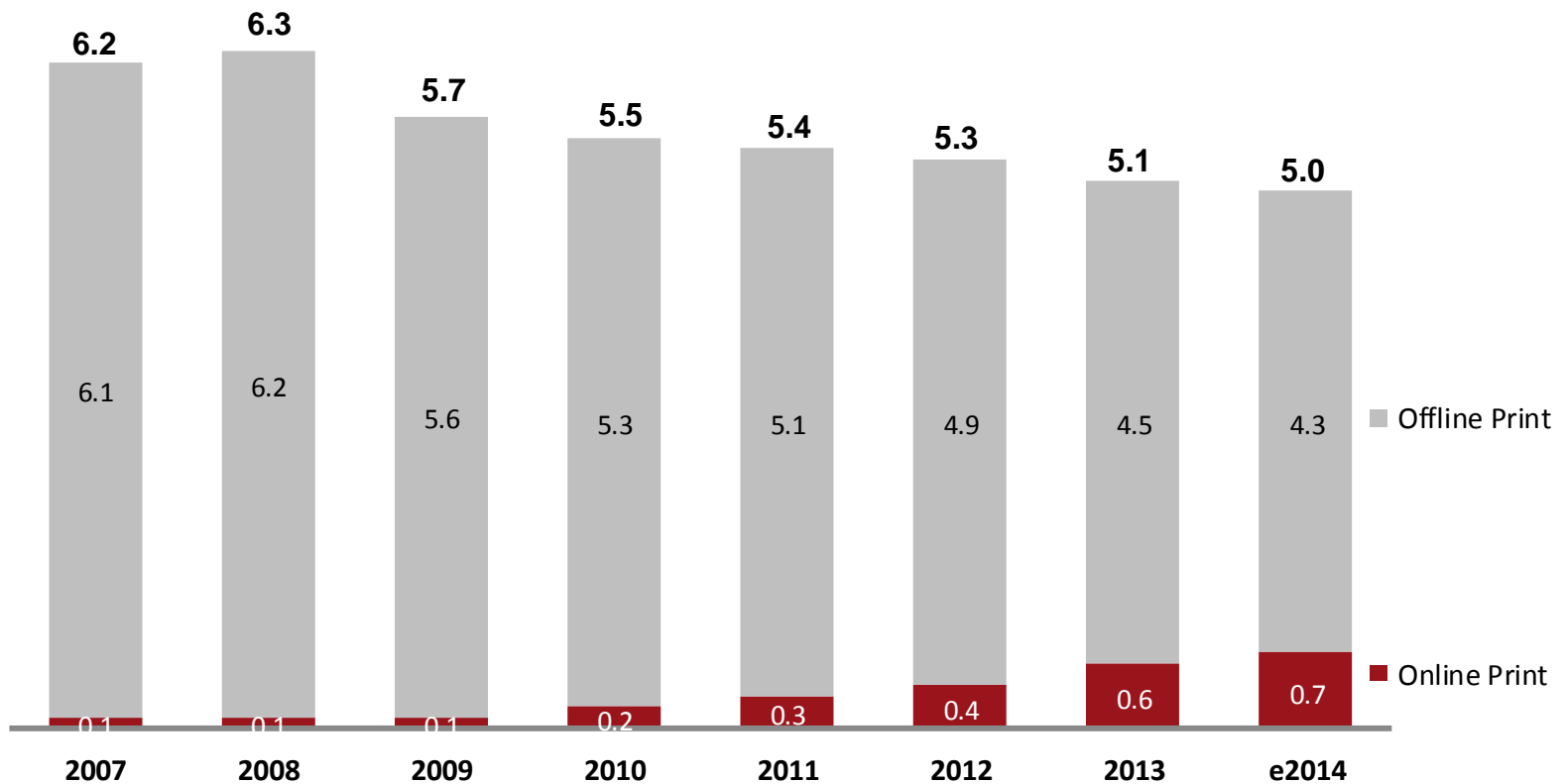
# CEWE's Commercial Online-Print activities in Europe



- ▶ CEWE operates with webshops in 10 different countries

# Print market in Germany (job printing)

Market volume job printing in Germany in EUR billions



► **Online print market is increasing**

Source: Market: Statistisches Bundesamt, bvdm / Online Print: Top 5 Creditreform + Top 6-20 & Vistaprint; estimation CEWE



# Benefits of Online Printing

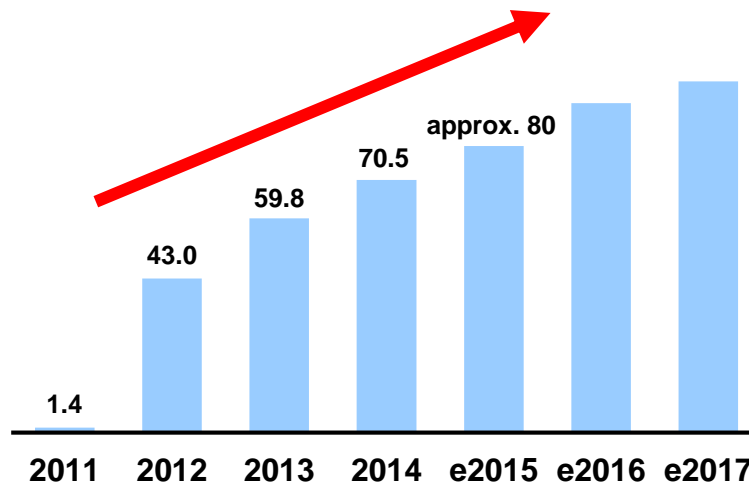
The sum of all advantages are directly handed over to our customers:

- € **Significant price advantage**
- 💬 **Printing quality**
- ✓ **Service quality/personal contact person**
- 💬 **Standard artwork check included**
- ✓ **Acceptance of print data until 6pm for next day delivery**
- 🌿 **Environmentally conscious printing**
- 🐷 **Reseller benefits**



▶ **The internet makes printing more efficient**

## Growth outlook CEWE Commercial Online Print Revenue (in Euro millions)



- ▶ Commercial Online Print is the growth driver

# Agenda

## 1. Business Segments

Photofinishing

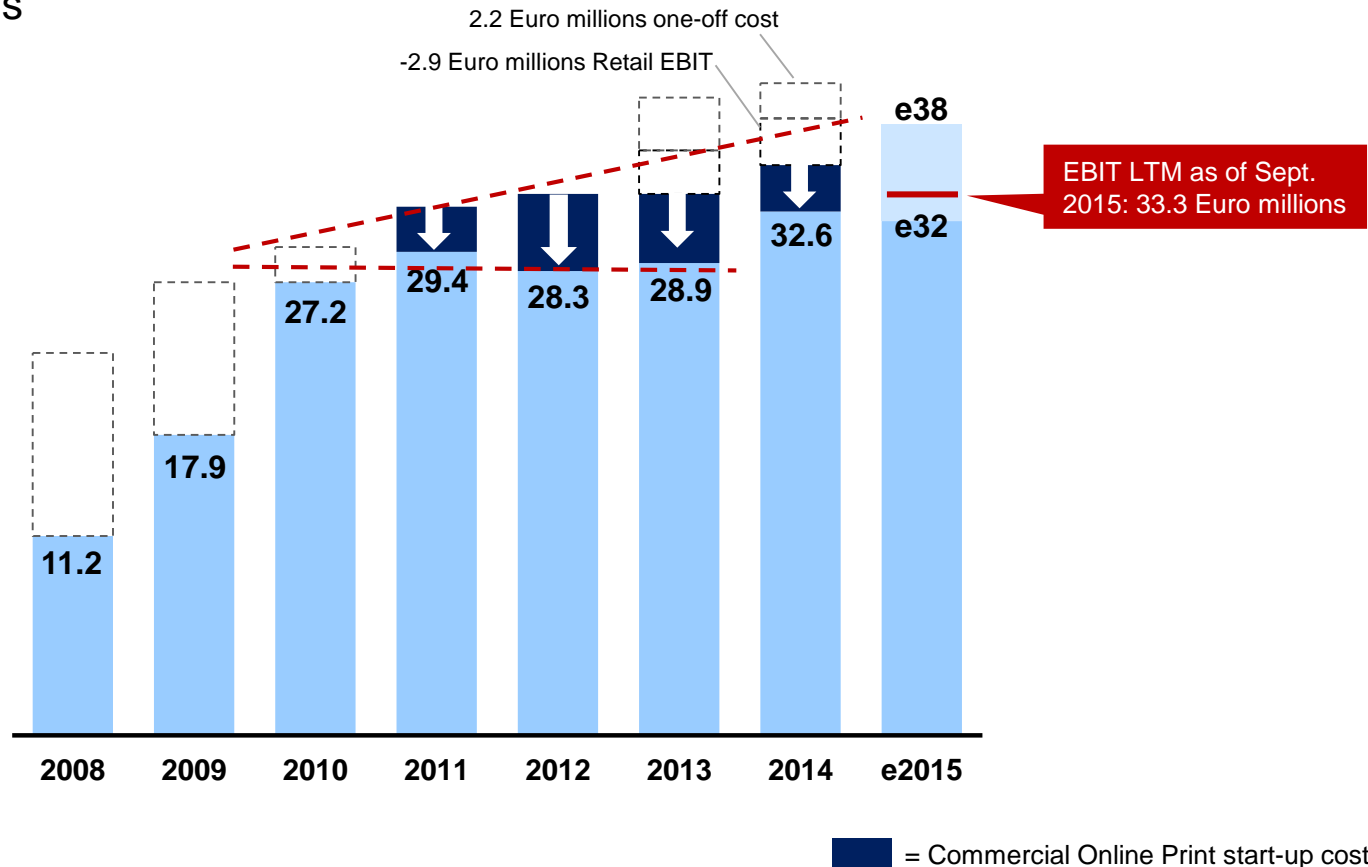
Retail

Commercial Online-Print

## 2. CEWE group

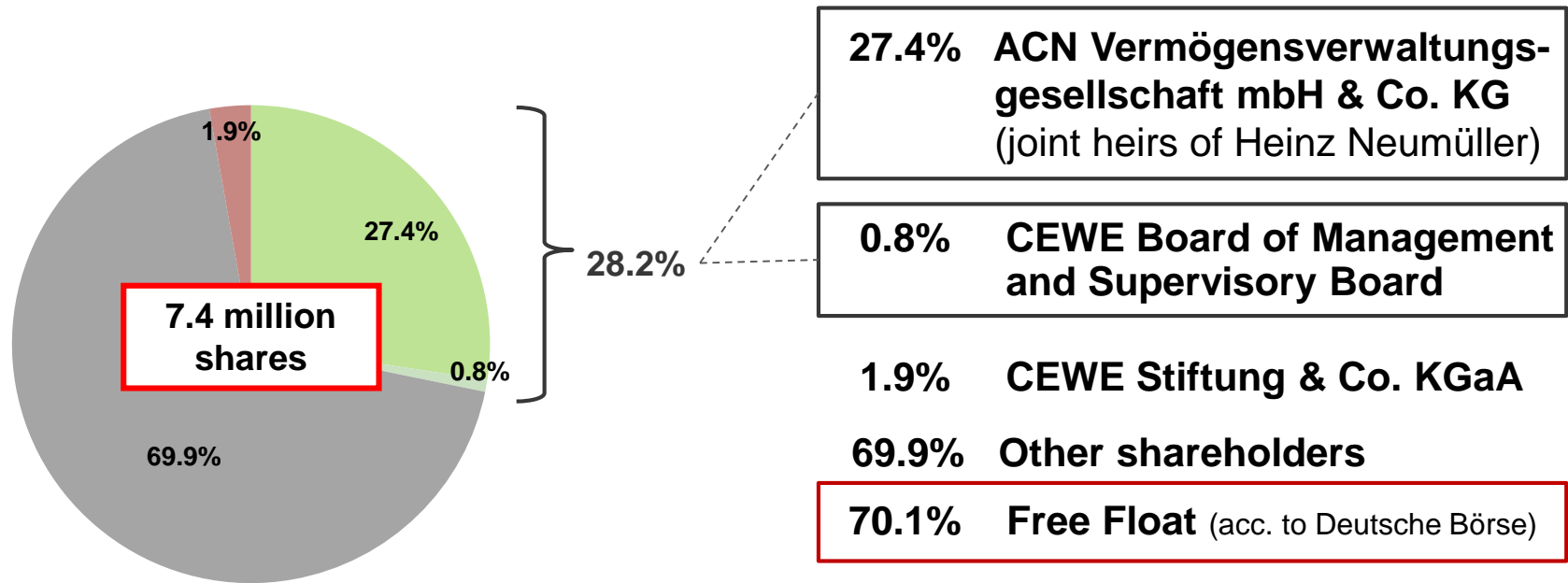
# EBIT Development

in Euro millions



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

# Shareholder structure



(in acc. with § 21 and § 22 WpHG notification)

- ▶ **Joint heirs of company founder are the main shareholders in CEWE**
- ▶ **28.2% of the shares are present in the Supervisory Board and the Board of Management**

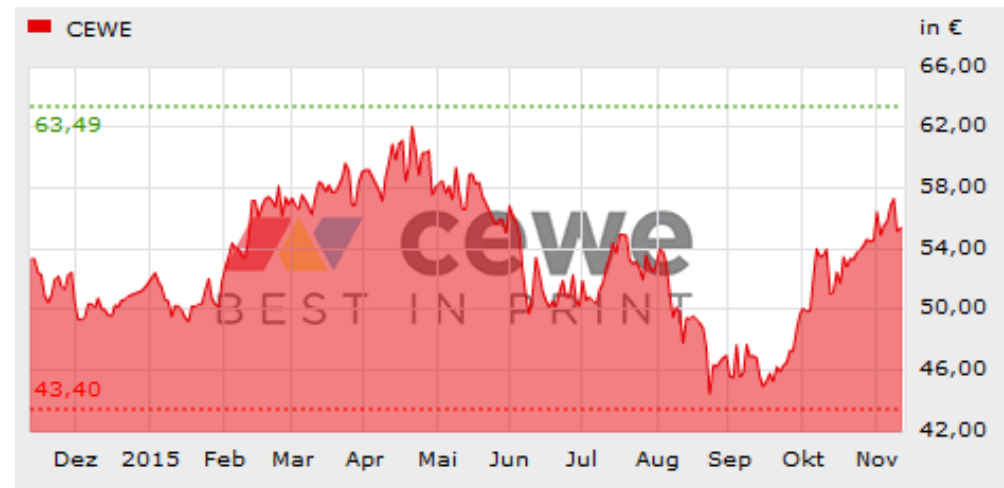
# Share data

## Key share indicators

Market segment	regulated market Prime Standard
Index	SDAX DAXplus Family 30
ISIN	DE 0005403901
Symbol	CWC
Reuters	CWCG.DE
Bloomberg	CWC GR
Date of initial listing	March 24, 1993
Number of shares	7,400,020

## CEWE Stiftung & Co. KGaA

ISIN DE0005403901, WKN 540390, CWC



## Analysts

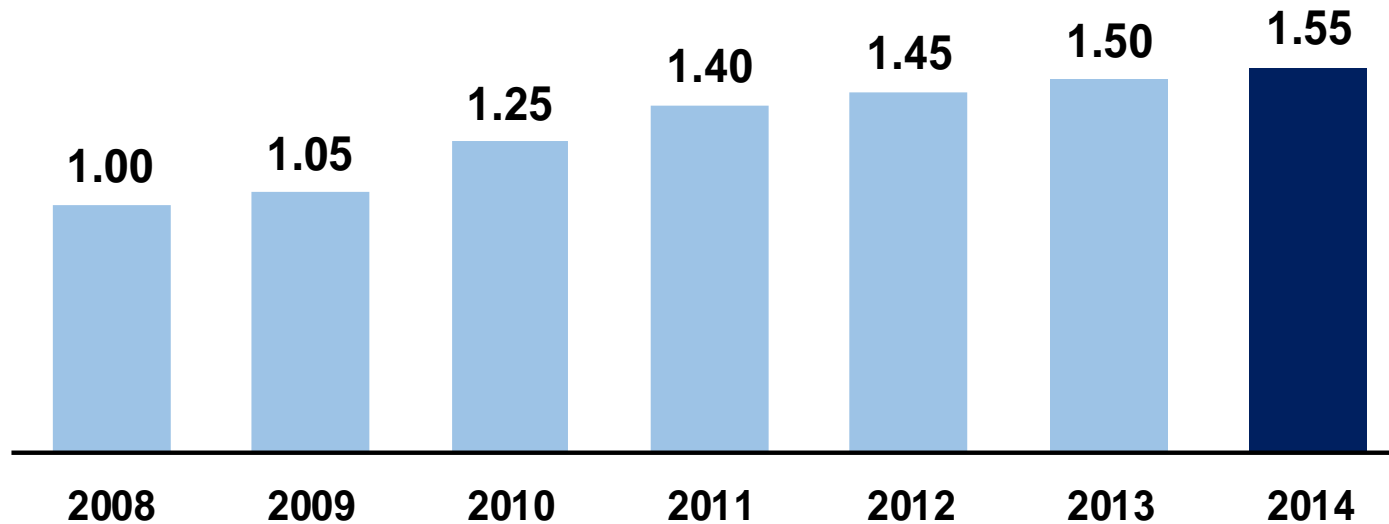


► Broad analyst coverage



# Dividend

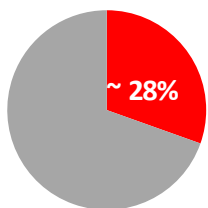
in EUR



- ▶ Also for the next years CEWE aims for a slowly but steadily increasing dividend
- ▶ The absolute dividend is important for CEWE, not the payout ratio
- ▶ Dividend paid every single year since going public in 1993

# CEWE Equity Story

Shareholders making decisions



~ 28% of shares are represented in management and supervisory board

## Growth ahead

Natural consolidator in fotofinishing

- **25%** fotobook market share in EU (x3 vs. #2)
- **50%** market share in Germany

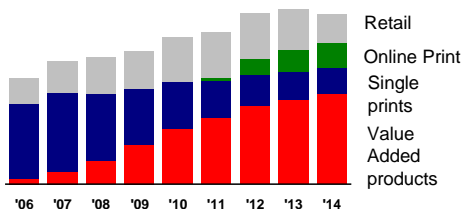


Growth area: Online Printing



## Growing profit

Favourable product mix shift



Strong brand awareness protects price

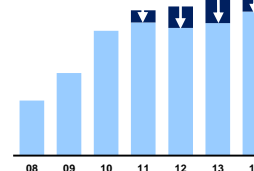
- **38%** unaided brand awareness
- **60%** aided brand awareness



(in Germany, Source GfK Panel)

True profitability hidden by online print ramp-up

EBIT



## Reliable stability

Strong equity ratio

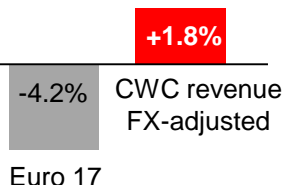
**51.1 %**  
Equity ratio  
Dec 31, 2014

Solid cash position

**net cash** position per Dec 31, just after peak season; up to ~20 mill. Euro net debt in off season

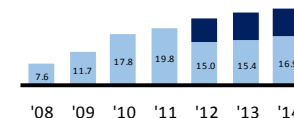
Stable also in weak economy

Growth 2009



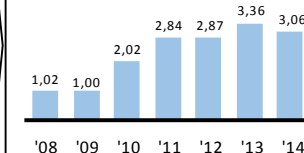
## Strong ROCE

ROCE [%]



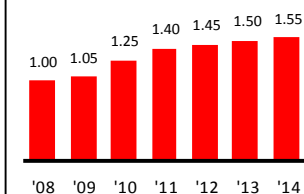
## EPS

Earnings per share [EUR]



## Reliable Dividend

Dividend per share [EUR]



► **Reliable stability, growing profitability, growth ahead**

*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.*



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