



CEWE Stiftung & Co. KGaA

ON TRACK TO REACHING FY TARGETS

13/08/2014

Hold
54.00 EUR

Close (12/08/2014)	50.60 EUR
Bloomberg: CWC	WKN: 540390
Sector	Consumer

Share price performance

52 week high	60.10
52 week low	35.70
Compared to	SDAX
YTD	17.2%
1 month	3.4%
12 months	-4.4%



Share data

Market Cap (m EUR)	333
No. of shares (m)	6.58
Free float	70.1%
Trading vol. Ø (m EUR)	0.63

Next event

12/11/2014	Quarterly Results
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Analyst

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See end of document for disclaimer.

KEY TAKEAWAYS

- CEWE reported Q2 numbers this morning that were largely in line with expectations.
- In Fotofinishing, you still see the seasonal shift in the business. Nevertheless, even with a small sales decrease of 1.0%, the company was able to improve the EBIT numbers in this segment.
- The Retail segment suffered another double-digit sales decline as it exited the low-margin hardware business.
- The Online Print segment is on a 20% growth path as expected.
- The company confirmed its guidance for 2014 (which is unfortunately back end-loaded), as expected.

CeWe Stiftung [€ m]	Q2 2014	BHL Q2 2014e	Consensus Q2 2014e	Q2 2013	% yoy
Sales	102,9	101,8	102,1	111,6	-7,8%
EBIT	-3,3	-3,1	-3,2	-3,9	---
EBIT-margin	-3,2%	-3,0%	-3,1%	-3,5%	0,3 PP

Source: Company information, Factset, Bankhaus Lampe Research

[€ m]	Q2 2014	BHL Q2 2014e	Consensus Q2 2014e	Q2 2013	% yoy
Fotofinishing					
Sales	69,1	69,0	68,9	69,7	-1,0%
EBIT	-2,2	-2,1	-2,2	-2,9	---
Retail					
Sales	16,3	15,5	1,0	27,6	-43,9%
EBIT	-0,4	-0,3	-0,4	-0,3	---
Onlineprint					
Sales	17,6	17,3	18,2	14,3	21,2%
EBIT	-0,7	-0,7	-0,7	-0,7	---

Source: Company information, Factset, Bankhaus Lampe Research

FIRST TAKE

- Q2 report without surprises; company on track to reaching FY 2014 targets.
- Minor changes in model necessary.
- HOLD rating and PT of EUR 54.00 confirmed for the time being.

in m EUR	2012	2013	2014e	2015e	2016e
Sales	507	529	542	558	575
EBIT	29	29	34	38	41
EBIT margin	5.7%	5.6%	6.3%	6.8%	7.2%
Net financial debt	22	19	4	-11	-28
Free cash-flow	6	13	24	26	28
EPS (in EUR)	2.88	3.29	3.40	3.75	4.11
DPS (in EUR)	1.45	1.50	1.60	1.70	1.80
Dividend yield	4.7%	3.5%	3.2%	3.4%	3.6%
EV/Sales	0.5	0.6	0.7	0.6	0.6
EV/EBIT	8.3	10.8	10.3	9.0	7.8
Price Earnings ratio (P/E)	10.8	13.0	14.9	13.5	12.3

Source: Company information, Bankhaus Lampe Research estimates

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Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Overview of changes in our recommendations/price targets for CEWE Stiftung & Co. KGaA in the previous twelve months.

Date of publication	Price at recommendation	Rating	Price target
02/04/2014	59.51 EUR	Hold	54.00 EUR
25/10/2013	41.34 EUR	Hold	42.50 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/07/2014)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	51.4%	60.0%
Hold	35.1%	40.0%
Sell	13.5%	0.0%
under review	0.0%	0.0%

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