

CEWE Company Presentation

December 2018



my
cewe photobook

www.cewe-photoworld.com

A promotional image for CEWE photobooks. A smiling woman wearing a red Santa hat and scarf holds an open photo book. The book's pages show a family photo and a Christmas tree. The background is a blue sky with white clouds. The bottom of the image has a red banner with the text 'my cewe photobook' and the website 'www.cewe-photoworld.com'.

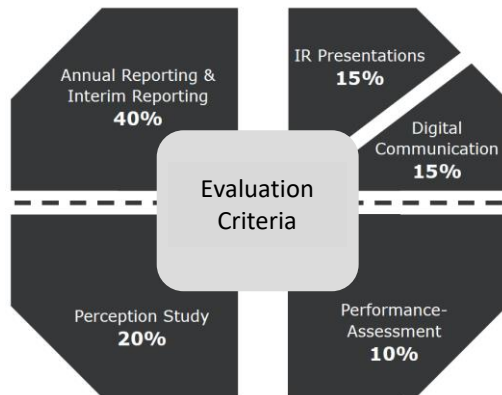
IR-Award: Investors' Darling 2018

DAX	
#1	Fresenius SE & Co. KGaA
#2	BASF SE
#3	Adidas AG

MDax	
#1	Lanxess AG
#2	Norma Group SE
#3	Kion Group AG

SDax	
#1	Deutscheeteiligungs AG
#2	CEWE Stift. KGaA
#3	TAKKT AG

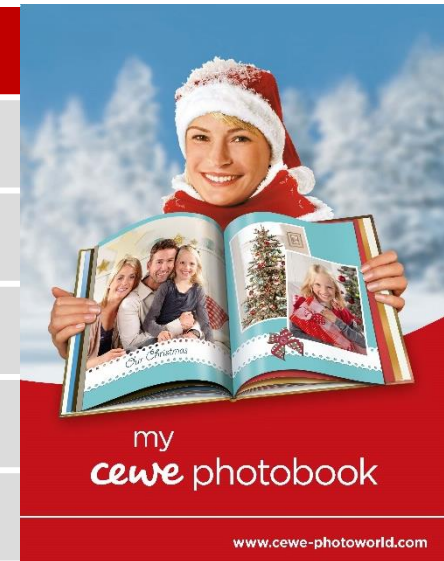
TecDax	
#1	Evotec AG
#2	Jenoptik AG
#3	Sartorius AG



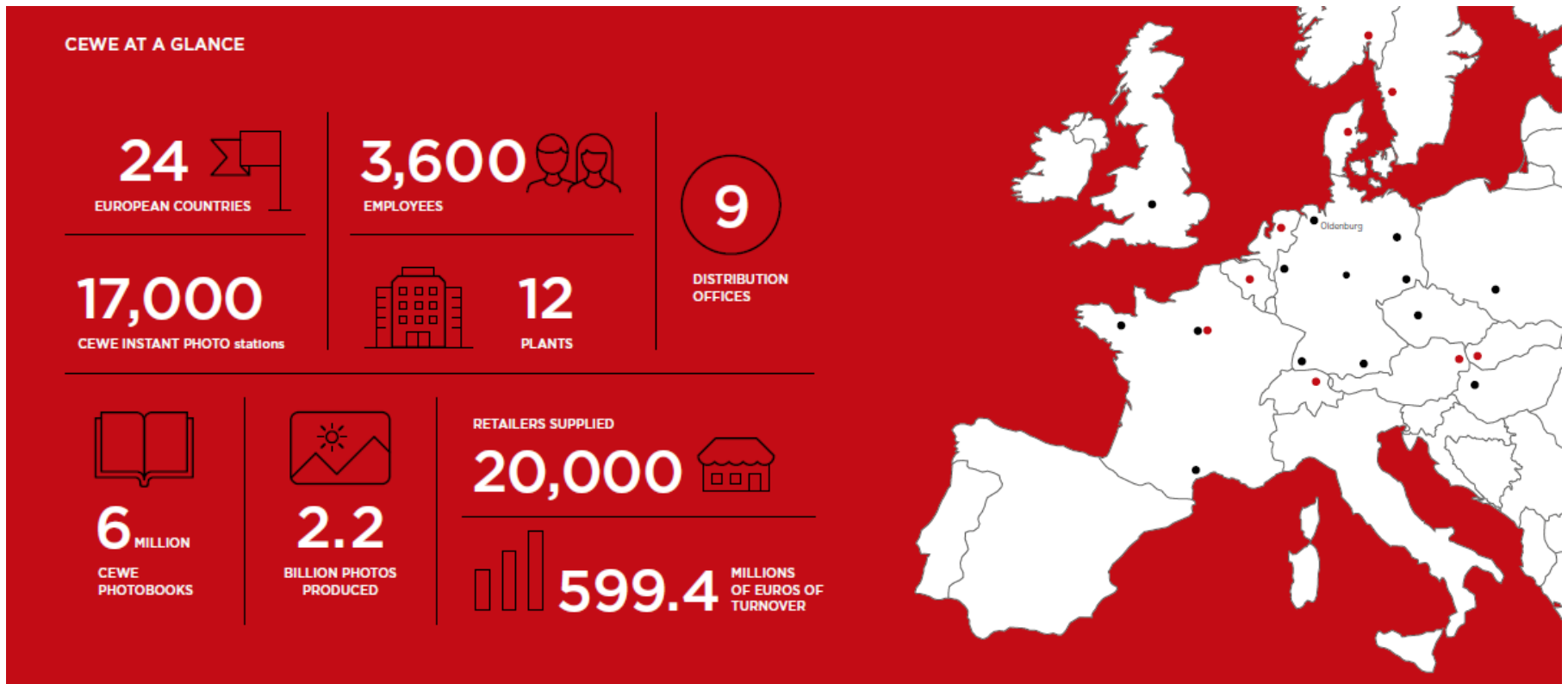
▶ **CEWE awarded as Investors' Darling 2018**

Agenda

1. In a nutshell
2. Corporate Development
3. Sustainability
4. Annual results 2017
5. Results Q3 2018
6. Share

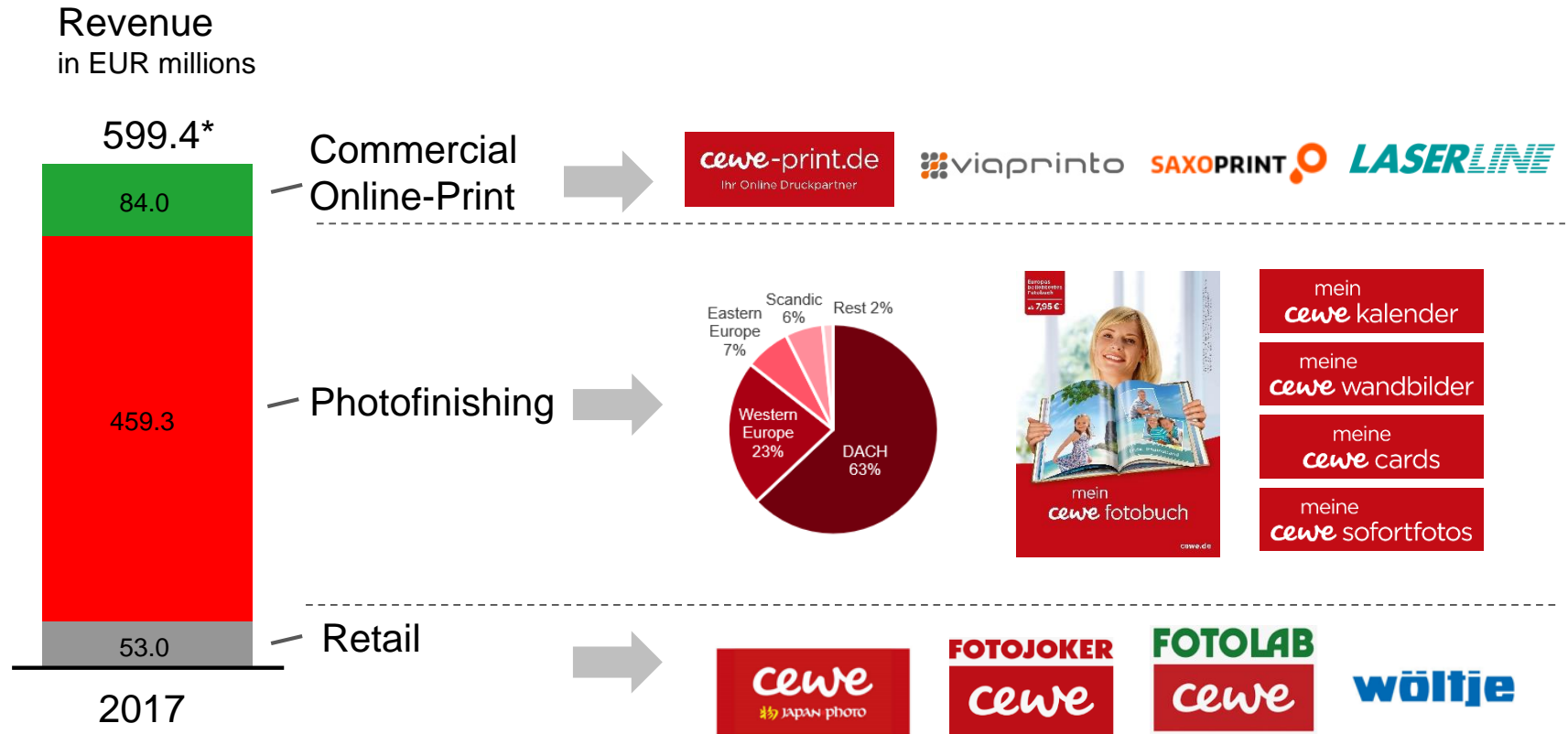


2018 corporate structure



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

Business segments of CEWE

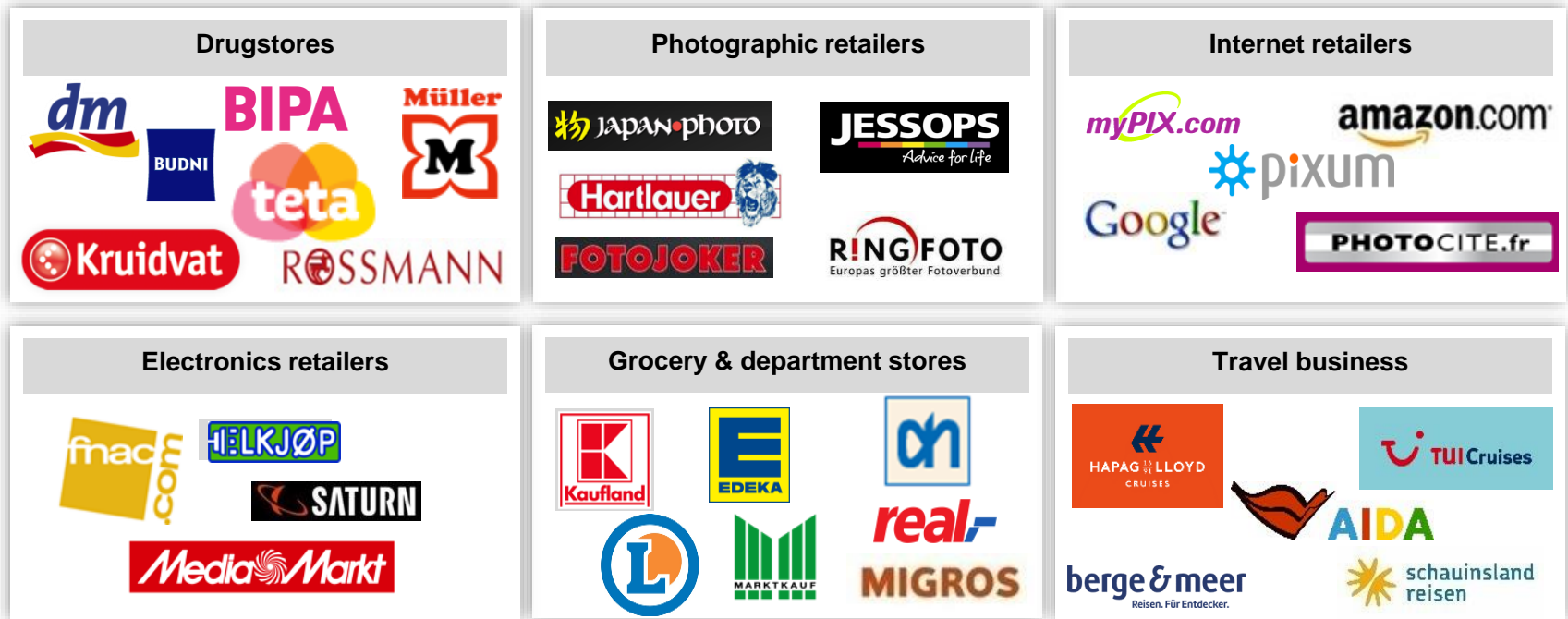


* including revenue from the "Other" segment in the amount of EUR 3.0 million

► CEWE: 3 business segments

Rounding differences might occur.

20,000 retail partners in Europe

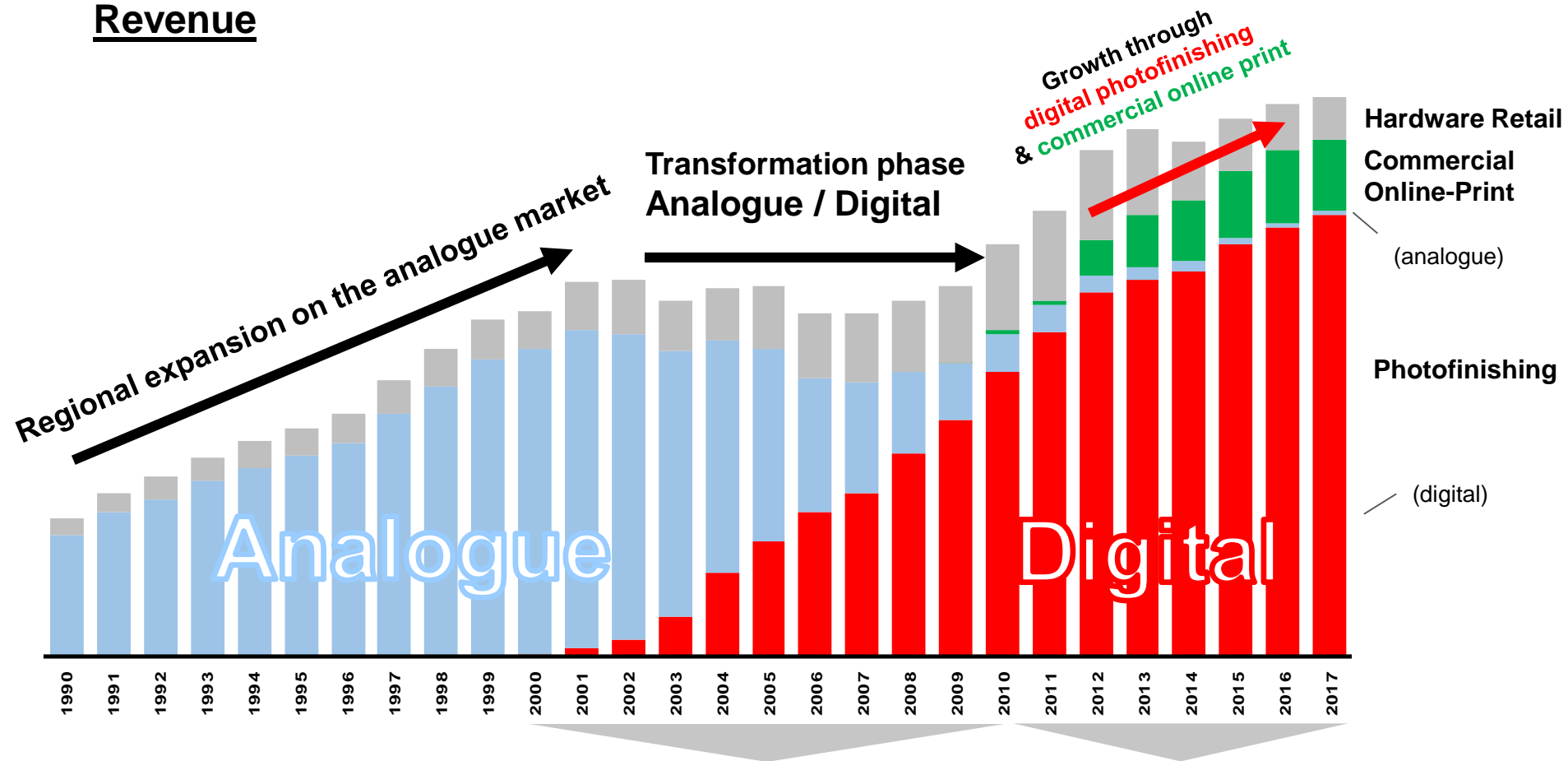


- ▶ CEWE reaches consumers through strong retail brands
- ▶ Retail partners invest in distribution and marketing
- ▶ Retail sales channels with online retailers and system partners

CEWE growth phases

CONCEPTUAL

Revenue



Transformation:

- Restructuring completed
- Wave of investments completed

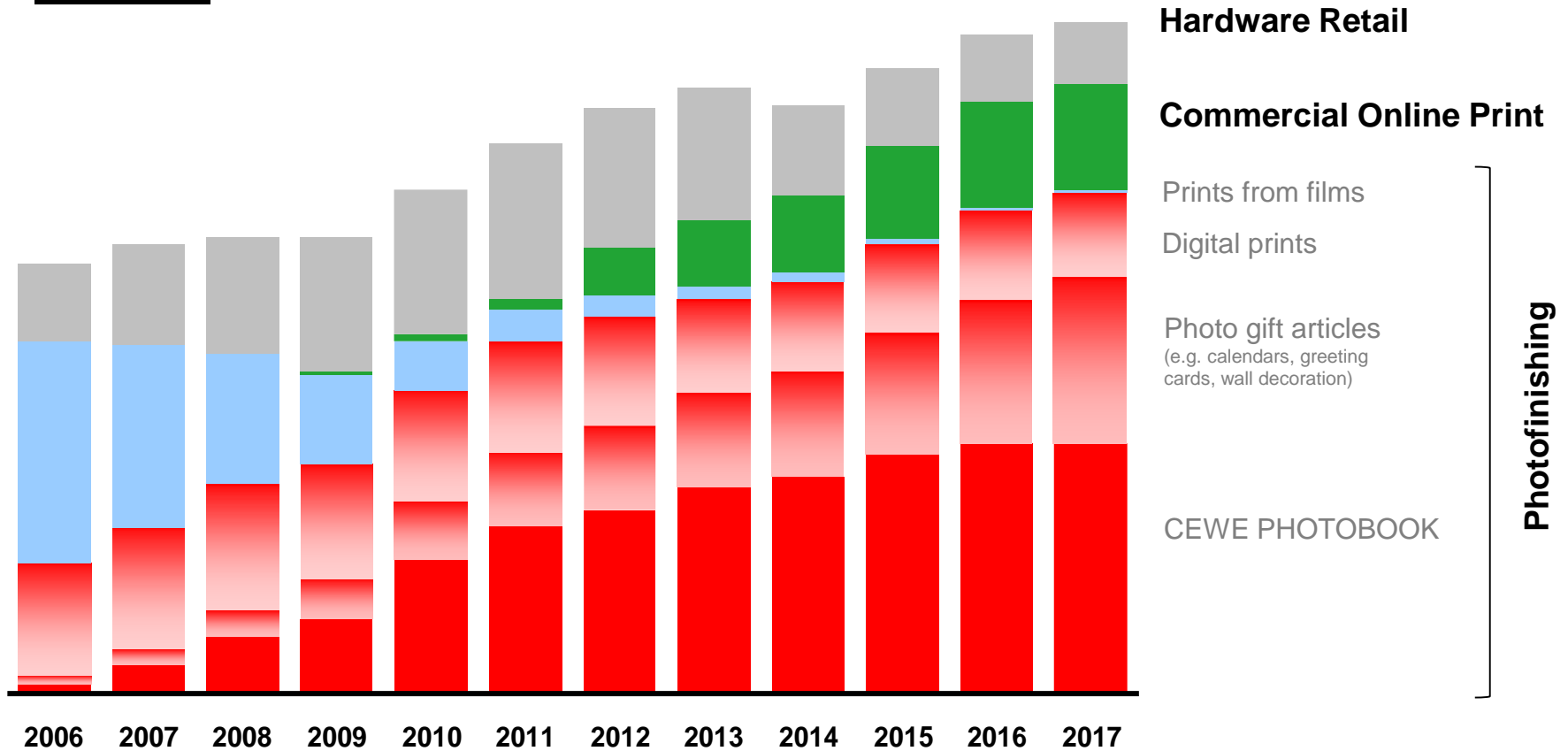
Growth:

- CEWE PHOTOBOOK & other value added photo products
- Print products for commercial use

Growth in revenue for various product groups

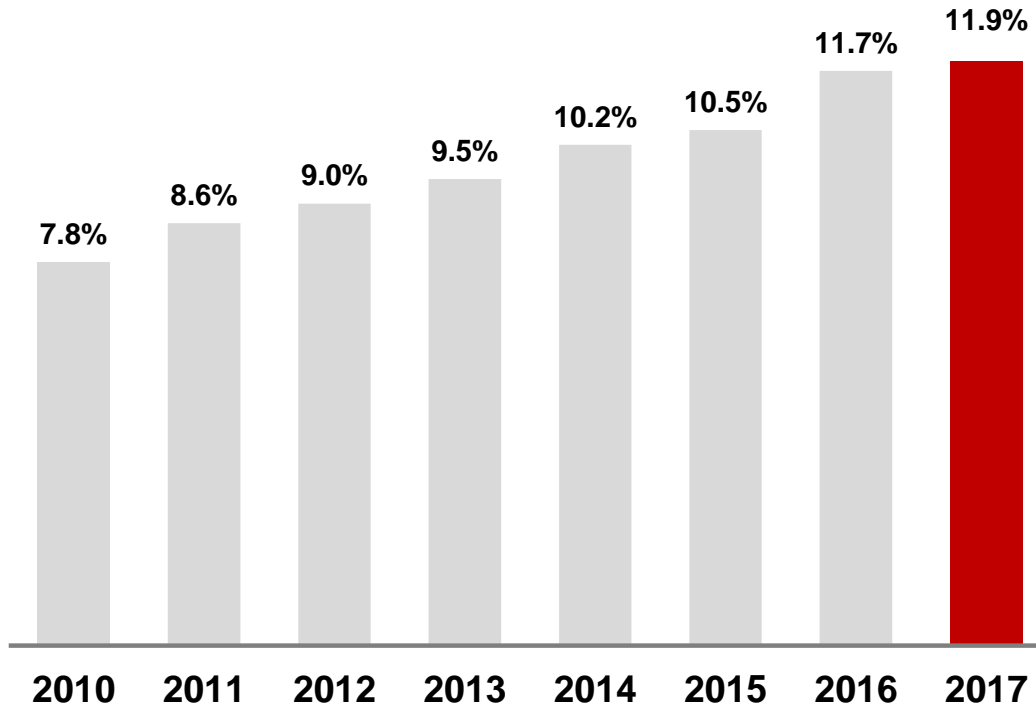
Revenue

CONCEPTUAL



▶ **CEWE PHOTOBOOK and photo gift articles replace single-print revenue**

Operational Photofinishing EBIT margin

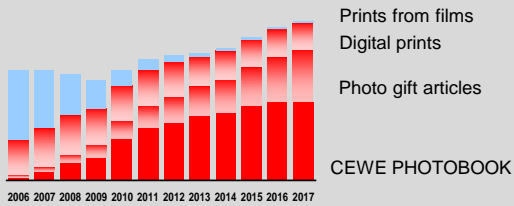


- ▶ Profitability in photofinishing continues to increase due to product mix shift

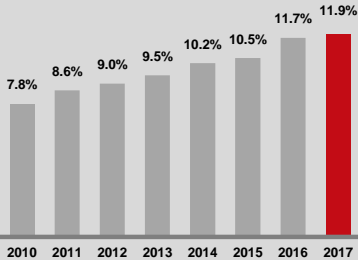
CEWE position in photofinishing

Product mix shift raises margin

- Photofinishing revenue in EUR millions



- Operational Photofinishing EBIT margin in % of turnover



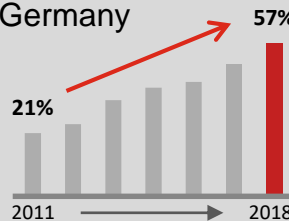
- Profitability in photofinishing continues to increase due to product mix shift

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 23% 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



- Unaided 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

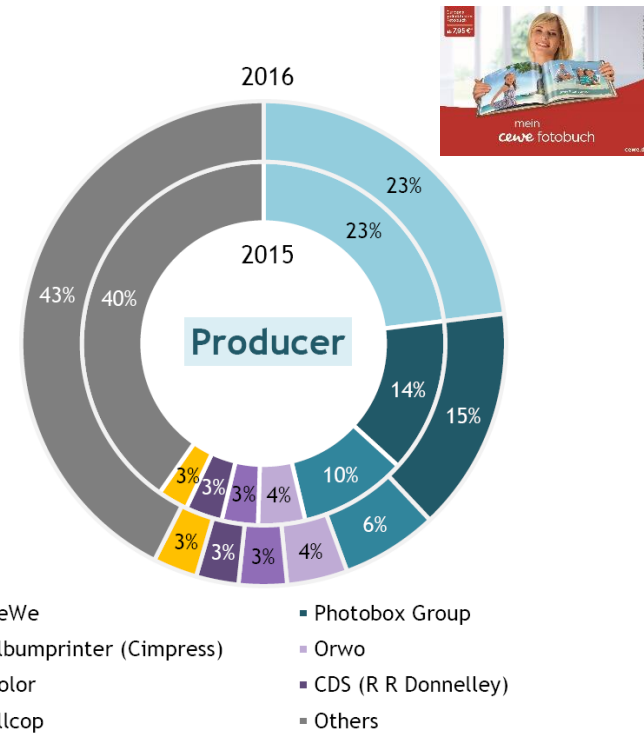
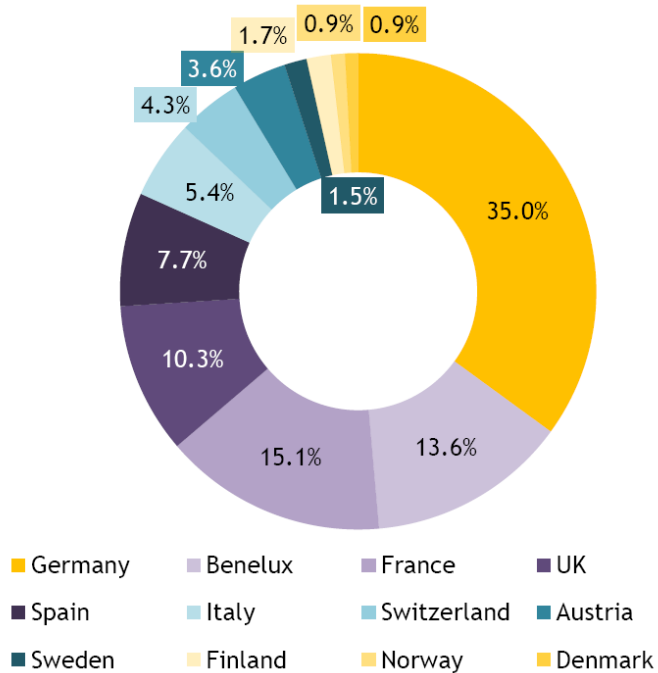


► CEWE has a strong position in the market: high entrance barriers

Photobook market in Western Europe

Photobook Total Volume 2016: 25.1 M Units

Market Share (volume) Photobook Producers 2016



▶ **Market leader CEWE: CEWE PHOTOBOK with 23% market share (volume)**

Brand overview CEWE photofinishing

Europas
beliebtestes
Fotobuch

ab 7,95 €*



Unser Traumstrand

mein
cewe fotobuch

cewe.de

* Unverbindliche Preisempfehlung. Das abgebildete Produkt ist ein Beispiel für ein Produkt. Die abgebildeten Preise sind unverbindliche Preisempfehlungen. Die Preise können sich aufgrund von Änderungen der Produktpreise, des Wechselkurses oder anderer Faktoren ändern. CEWE Photofinishing GmbH, Hamburg, 20153, Deutschland

mein
cewe kalender

meine
cewe wandbilder

meine
cewe cards

meine
cewe sofortfotos

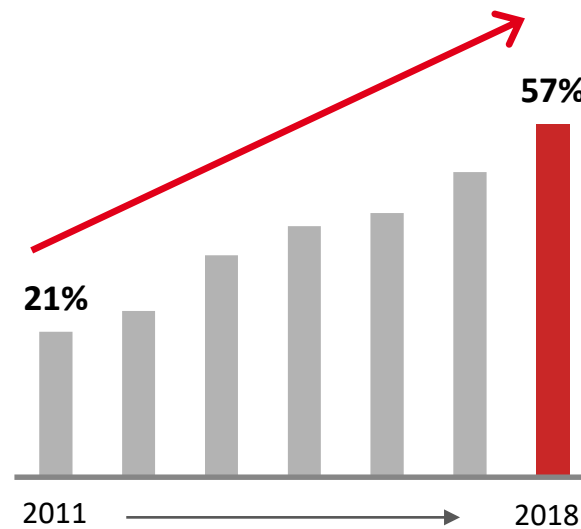
Brand-marketing: Broad media-mix in 2017



► Multi-channel brand-marketing for CEWE PHOTOBOOK

Brand awareness CEWE PHOTOBOOK in Germany

Unaided brand awareness



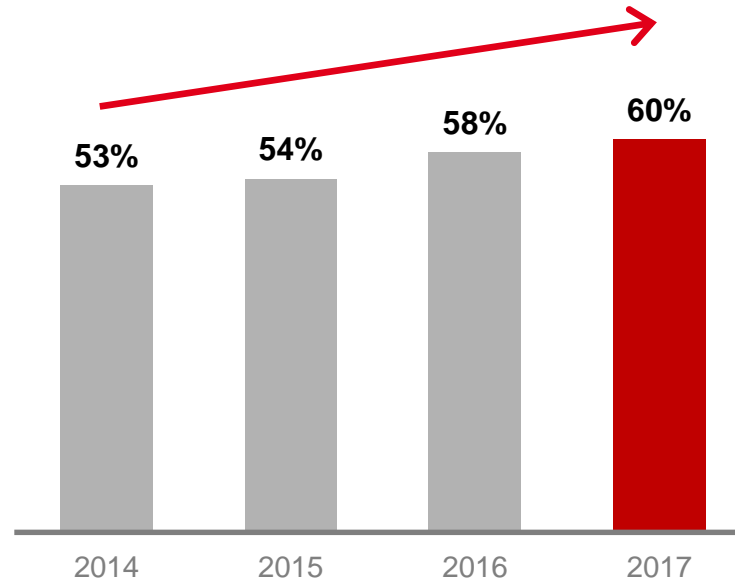
Aided brand awareness 2018:
75%

Source: 2011-2016 GfK, 2017-2018 Nielsen



▶ **Again, substantial increase in brand awareness**

Net Promoter Score CEWE PHOTOBOOK in Germany



Source: Own survey

▶ **CEWE PHOTOBOOK hugely popular**

CEWE PHOTO BOOK: Customers' voices



Frau Platzek (D)



Familie Wartmann (D)



Frau Jaworski (D)



Familie Voigt (D)



Familie Barth (D)



Familie Oppenheimer (D)



Frau Bergmann (D)



Familie Baur (D)



Familie Grove (UK)



Frau Broeks (D)



Frau Jentzsch (D)



Frau Liskova (SK)



Familie Brunovi (SK)



Frau Benedikt (AT)



Familie Fauster (AT)



Familie Martincovi (CZ)



Familie Rehovi (CZ)



Familie Safijanski (PL)



Familie Koers (NL)



Familie Caillou (FR)



Familie Stäger (CH)



Frau Gantzhorn (DK)



Familie Sasvari (HU)



Familie Majewski (PL)

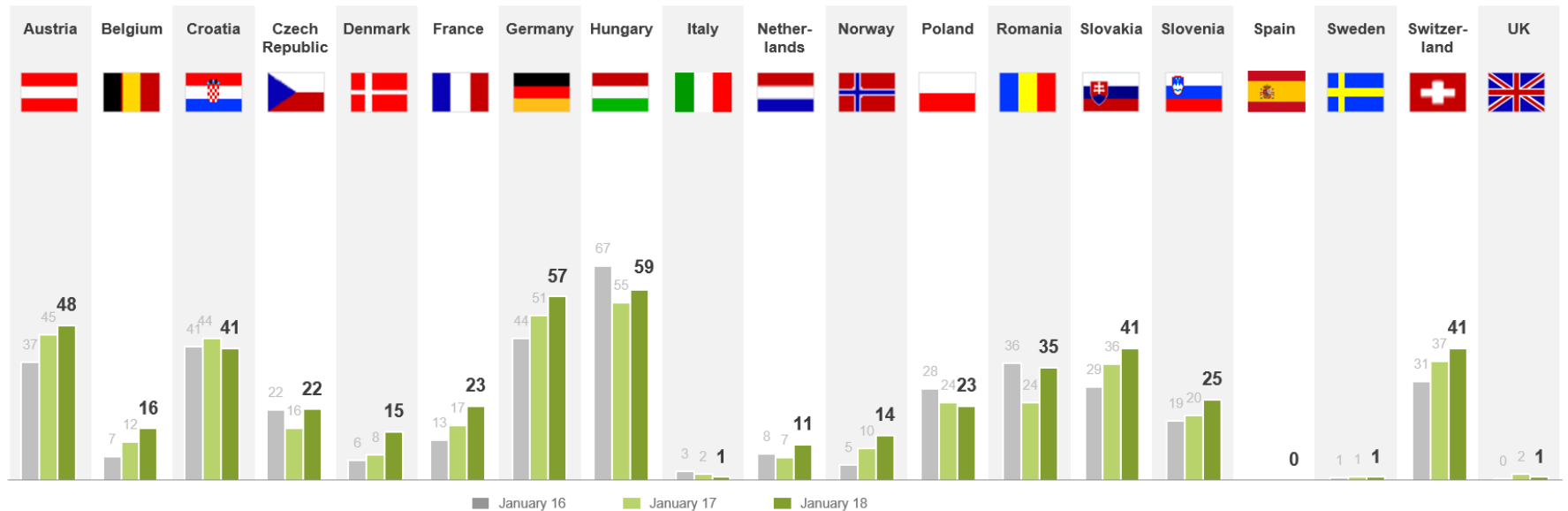


Familie Mosebo (NO)

► Real customers as CEWE-(brand-) ambassadors

Brand Awareness “CEWE PHOTO BOOK”

Unaided brand awareness [%]



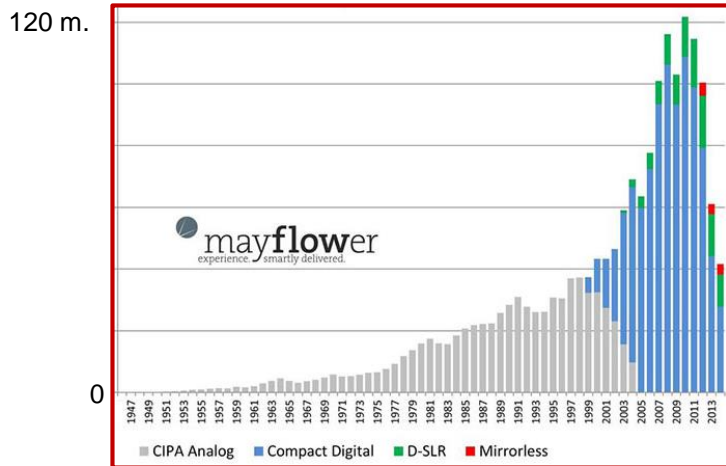
- ▶ All countries with a positive development
- ▶ Yet chances to grow brand awareness in many countries

Base: Online Population Age 18 upwards; Persons who ever heard about photobooks; in %.
Question 3a: Which photobook manufacturers or suppliers do you know of, at least by name?

Source: Nielsen 

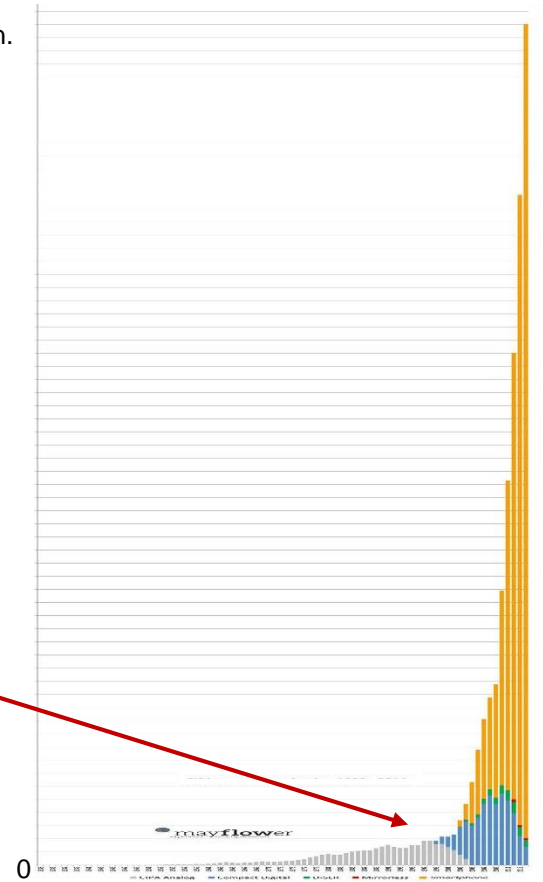
Worldwide camera production figures from 1947 to 2014

Camera production volume ...



... incl. smartphones

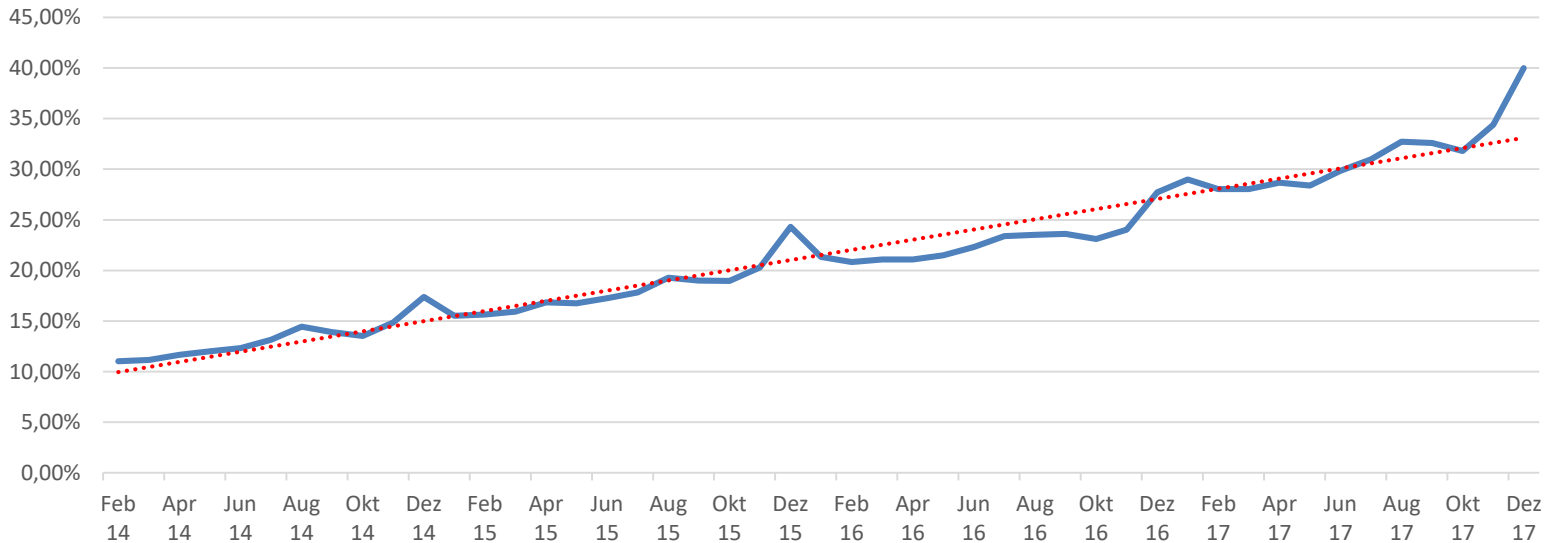
1.3 bn.



- ▶ **Smartphones are the most important devices for taking pictures**

Source: mayflower

Images from smartphones at CEWE



- ▶ **Proportion of smartphone images in production is increasing steadily**

CEWE Apps



CEWE PHOTOWORLD



CEWE POSTCARD



CEWE CALENDAR



CEWE PURE



CEWE MY PHOTOS



CEWE SERVICE



CEWE KIOSK



CEWE PHOTO CONTEST



CEWE ON TOUR



CEWE OPTIMIZE



CEWE EFFECTS



CEWE GOO



CEWE HAPPY FACES



CEWE BOOTH



CEWE IR SERVICE

CEWE Innovation Day



MARKE
APPS MEINUNGEN
IDEEN KONSUMENTENWÜNSCHE FEATURES
MOBILE CEWE KALENDER
CEWE WANDBILDER DESIGNS
INNOVATION
USABILITY **DAY** CEWE MYPHOTOS
PROJEKTE QUALITÄT
CEWE FOTOBUCH
AGIL CEWE CARDS
CEWE SOFORTFOTOS
KREATIVITÄT
INSPIRATION
MEHRWERTE
FOTOGESCHENKE
WEITERENTWICKLUNG
HANDYHÜLLEN
FORTSCHRITT
ZUSAMMENARBEIT
ZUKUNFT
CEWE
TEAM

CEWE @ photokina 2018



2018 Product Innovations



► 15 product innovations in six categories

Refinement: New Formats and Paper Qualities

mein
cewe fotobuch



New formats:

Compact Panorama
Square
XXL
XXL Panorama

New paper qualities:

Premium matt digital print

- ▶ 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

meine
cewe wandbilder



hexxas



- ▶ **A work of art with six corners: favorite moments on high quality photo tiles**

XXL Poster



meine
cewe wandbilder



► **Impressive format**

CEWE CARDS: Refinement and Editable, Refined Text

meine
cewe cards



- ▶ Larger range of CEWE cards that can be refined
- ▶ Personal editable text passages can also be refined to design

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 in portrait and landscape format**

mein
cewe fotobuch



„Best Photo Print Service
Worldwide“

CEWE acquires shares in leading French photo app specialist

CHEERZ

#1
Photo
printing
application
on the
appstore
in France



- Fast-growing "Cheerz" premium brand for smartphone customers
- Market leader in France for photofinishing apps
- Regional fit: Dynamic increase in sales in France, Spain and Italy
- Additional customer group: Cheerz is attracting also very young people
- CEWE expects the acquisition to generate additional growth in mobile business to strengthen business in France and Southern Europe
- Synergies in the areas of mobile competence, sales, production and logistics

- CEWE acquired 80 % of the shares in the Cheerz Group for 36 million euros with the option of the remaining 20 %
- The transaction estimates the company at around slightly more than one-and-a-half times the expected turnover for 2018
- CEWE Board of Management expects the takeover – including the purchase price allocation and the transaction costs – to still have a negative impact on EBIT 2018 in an amount of around 4 million euros
- Acquisition effective as of February 2018

► **Sustained positive effect on the value of the entire company expected**

Cheerz Office in Paris



Cheerz: Products



Memory Box
from 50€

A box of souvenirs to fill all year
long

Cheerz: Products

NEW FORMATS
CANVAS &
MAGNETS

CHEERZ



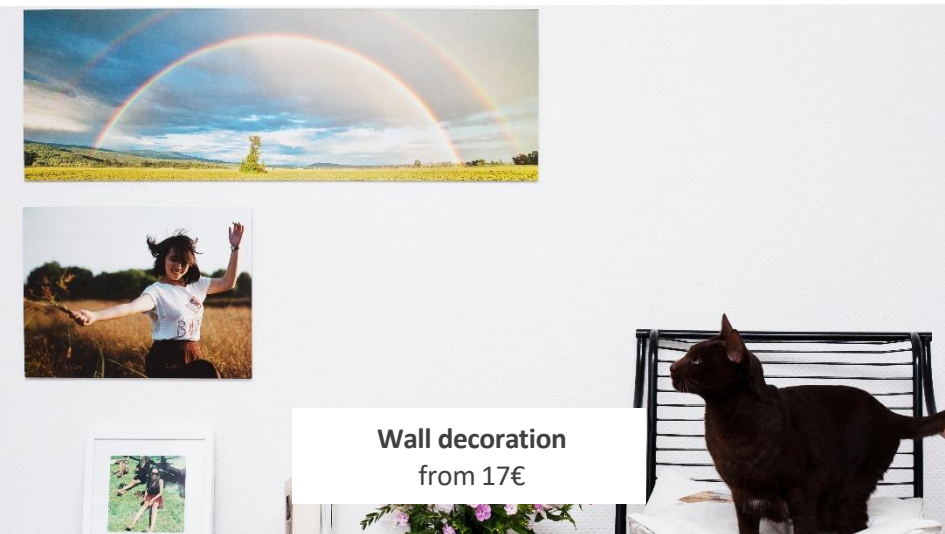
Cheerz: Products



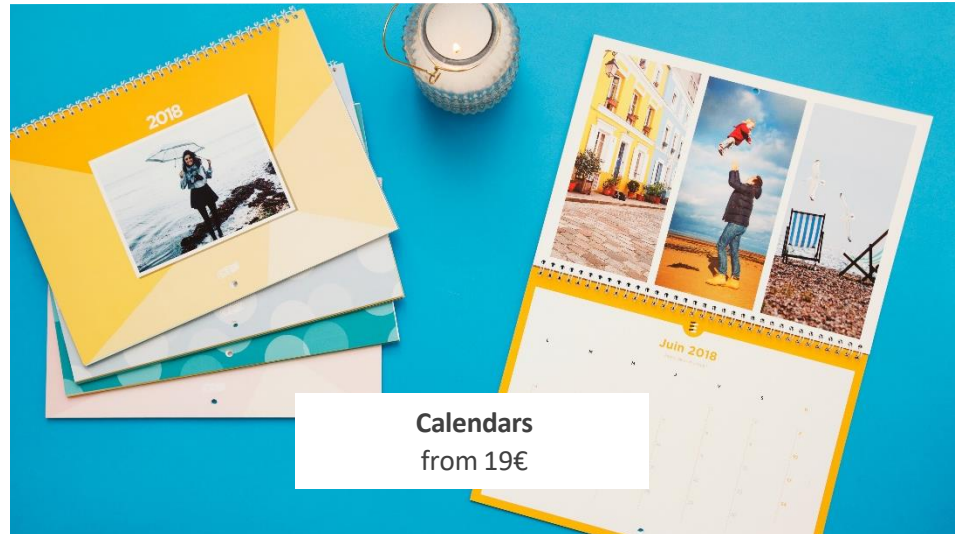
Photobooks
from 19€



Prints
from 0,25€



Wall decoration
from 17€



Calendars
from 19€

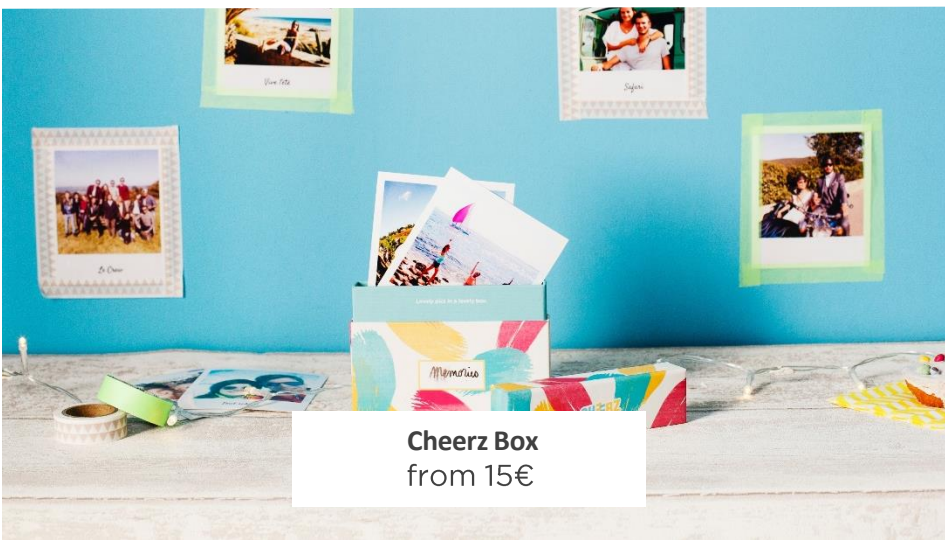
Cheerz: Products



Albums DIY
from 24€



Baby photobook
from 35€



Cheerz Box
from 15€



Heart magnets x9
from 20€

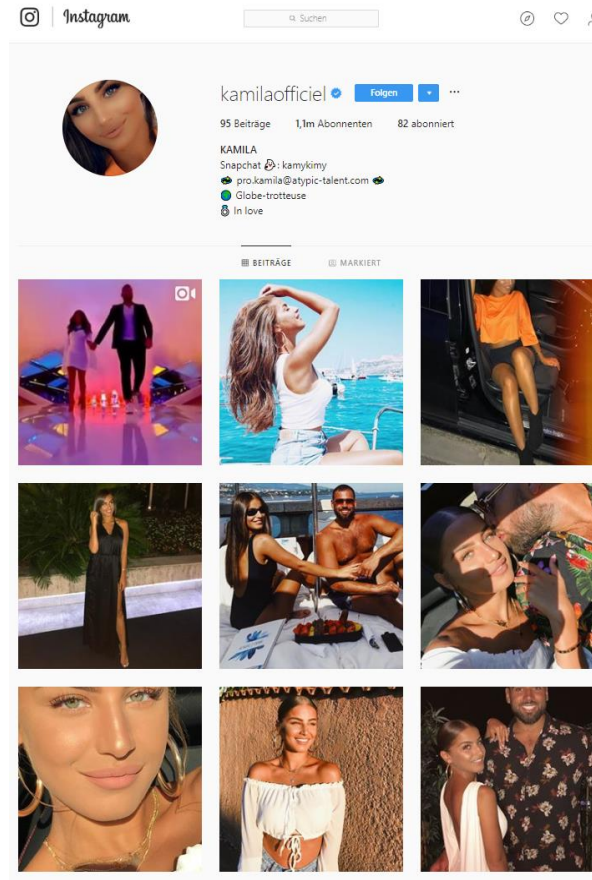
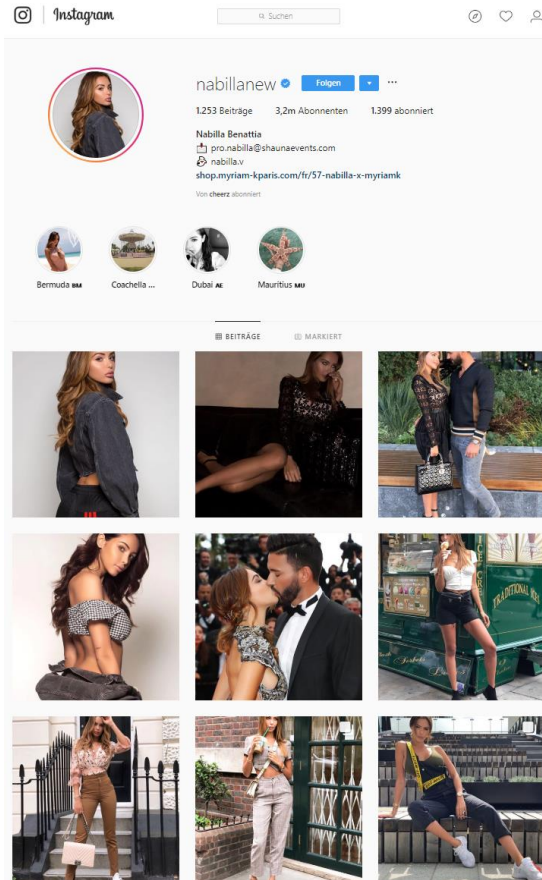
Cheerz seen by customers *



Qualité Drôle Innovant
Cool Proche Pratique
Fun Sympa Ludique Rapide
Moderne Frais Original
Tip top moumoute Facile
Efficace

* survey of 1,000 Cheerz customers in 2017

Cheerz Influencer Marketing



cewe myphotos

Store. Organise. Edit. Order.
Anytime. Anywhere. On any device.

Photo Kiosks: On-site Printing via Mobile Devices

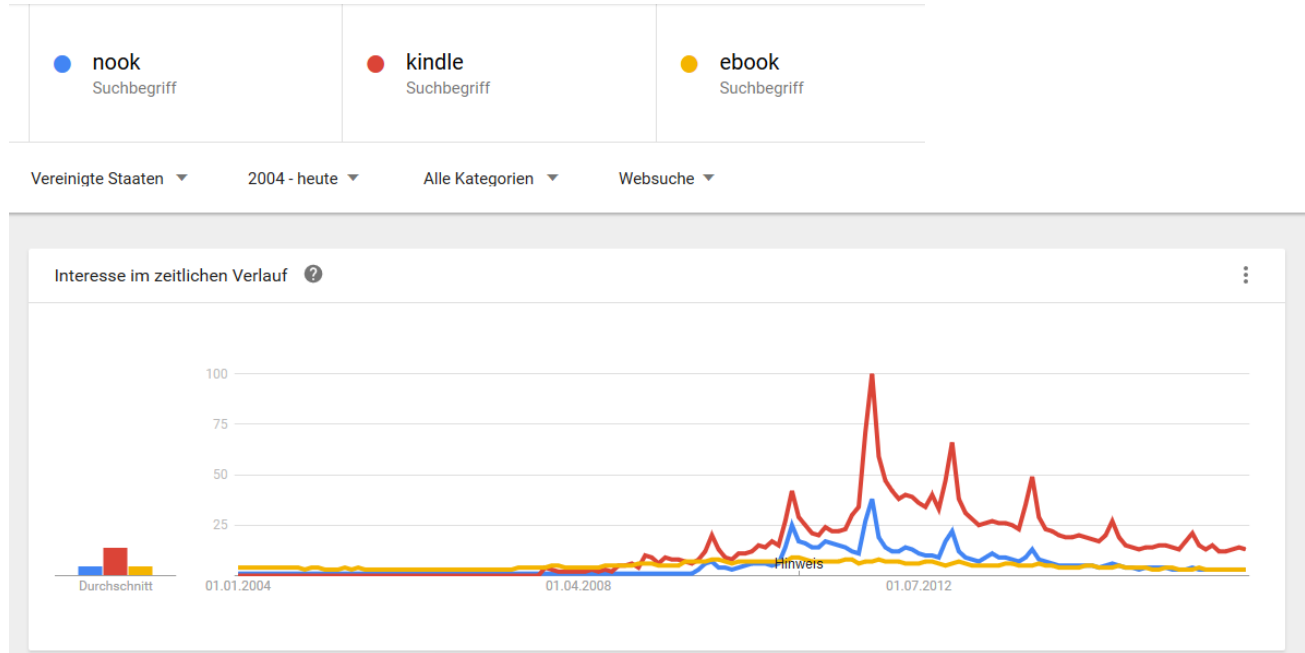
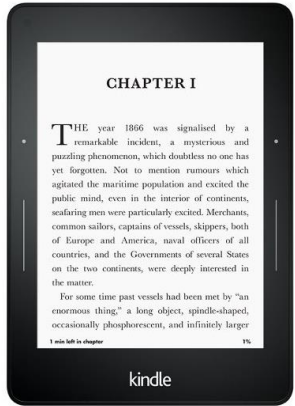


meine
cewe sofortfotos



- ▶ Instant print orders placed via mobile devices

eBook-Reader



► Since 2012 the interest in eBook-Readers is already decreasing

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)

Awards



- ▶ **CEWE distinguished with the 2010 Best Innovator and 2016 Digital Champions Award for the most successful company transformation**

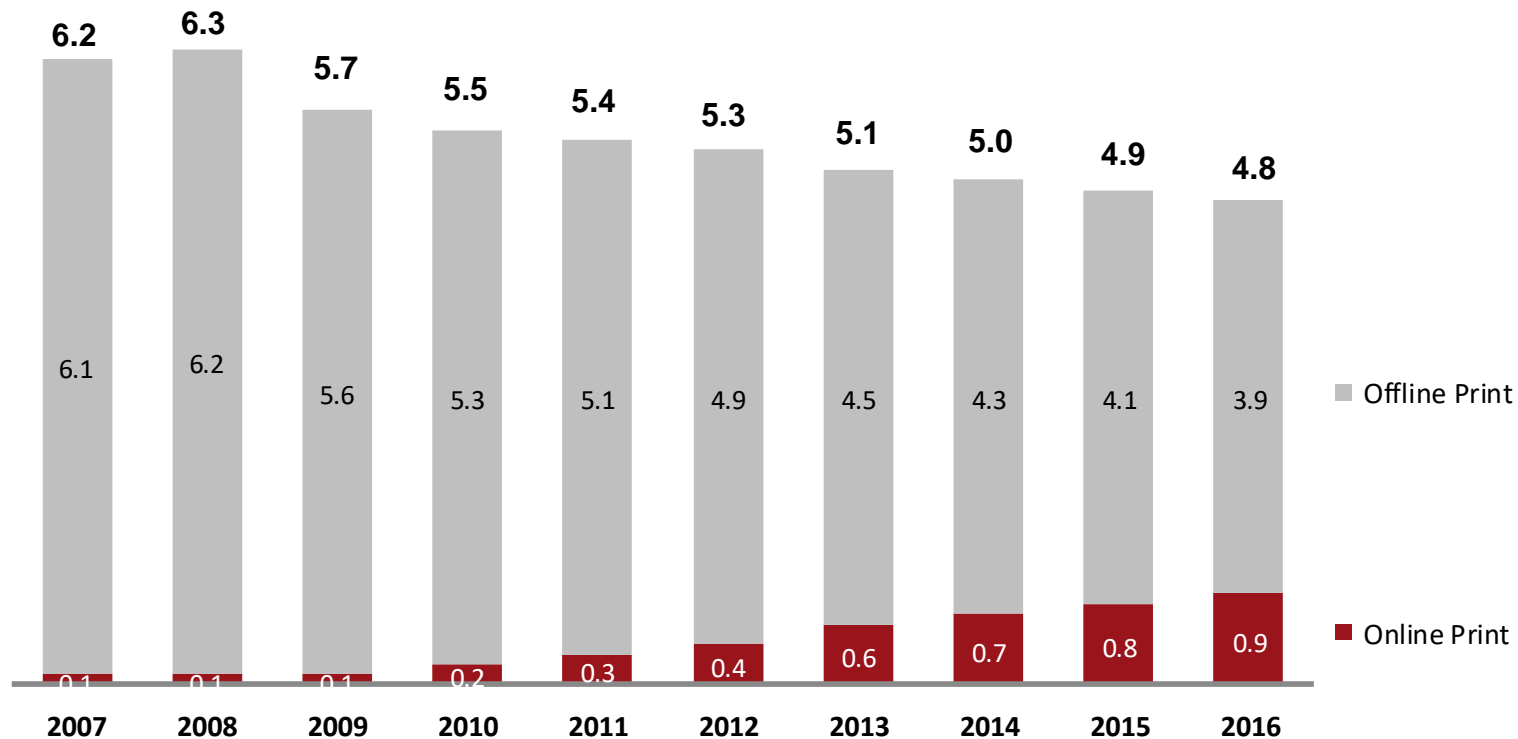
The CEWE online print brands



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

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

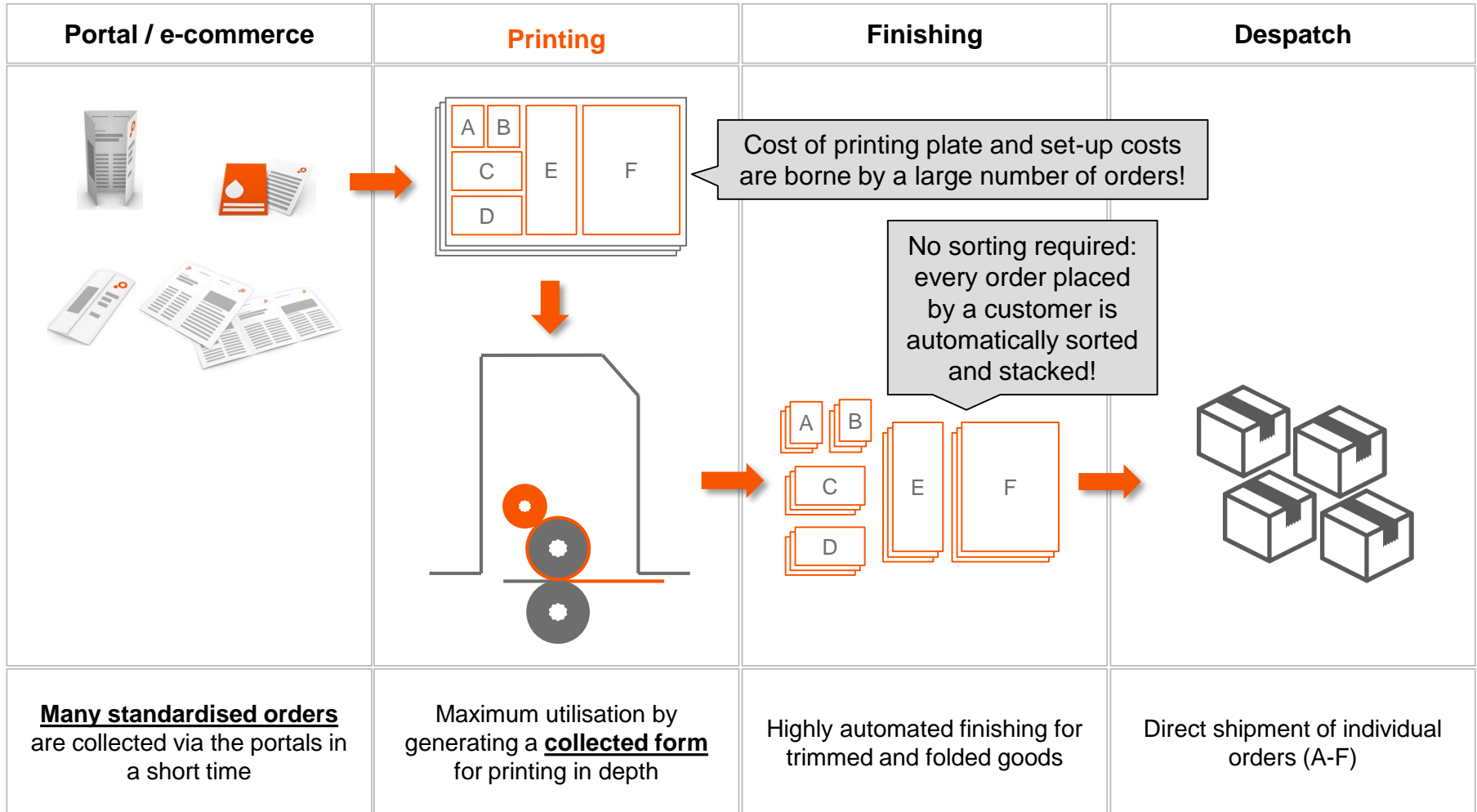
The sum of all advantages are directly handed over to our customers:

- € **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**

Economies of scale in the production of trimmed and folded goods

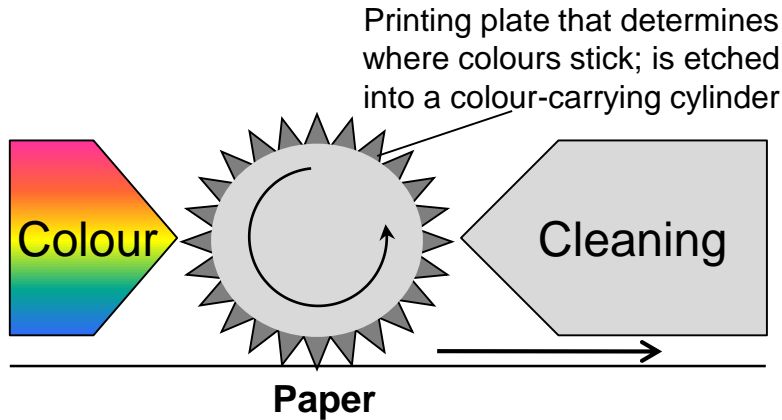


- ▶ **The benefit results from a maximum utilisation of the printing paper, less waste per order and lean processes**

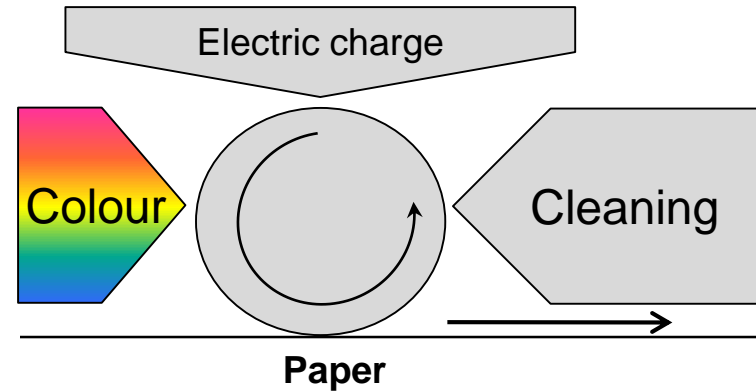


▶ Heidelberg XL 162-8-P

Offset printing



Digital printing



- High one-off costs for producing the cylinder
- Low variable printing costs

- No one-off costs for producing the cylinder
- Moderate variable printing costs

► **Elimination of one-off costs for producing the cylinder with digital printing makes print runs 1 cost-effective**

CEWE's Commercial Online-Print activities in Europe



- ▶ CEWE operates with webshops in 10 different countries

CEWE takes over online printing company LASERLINE

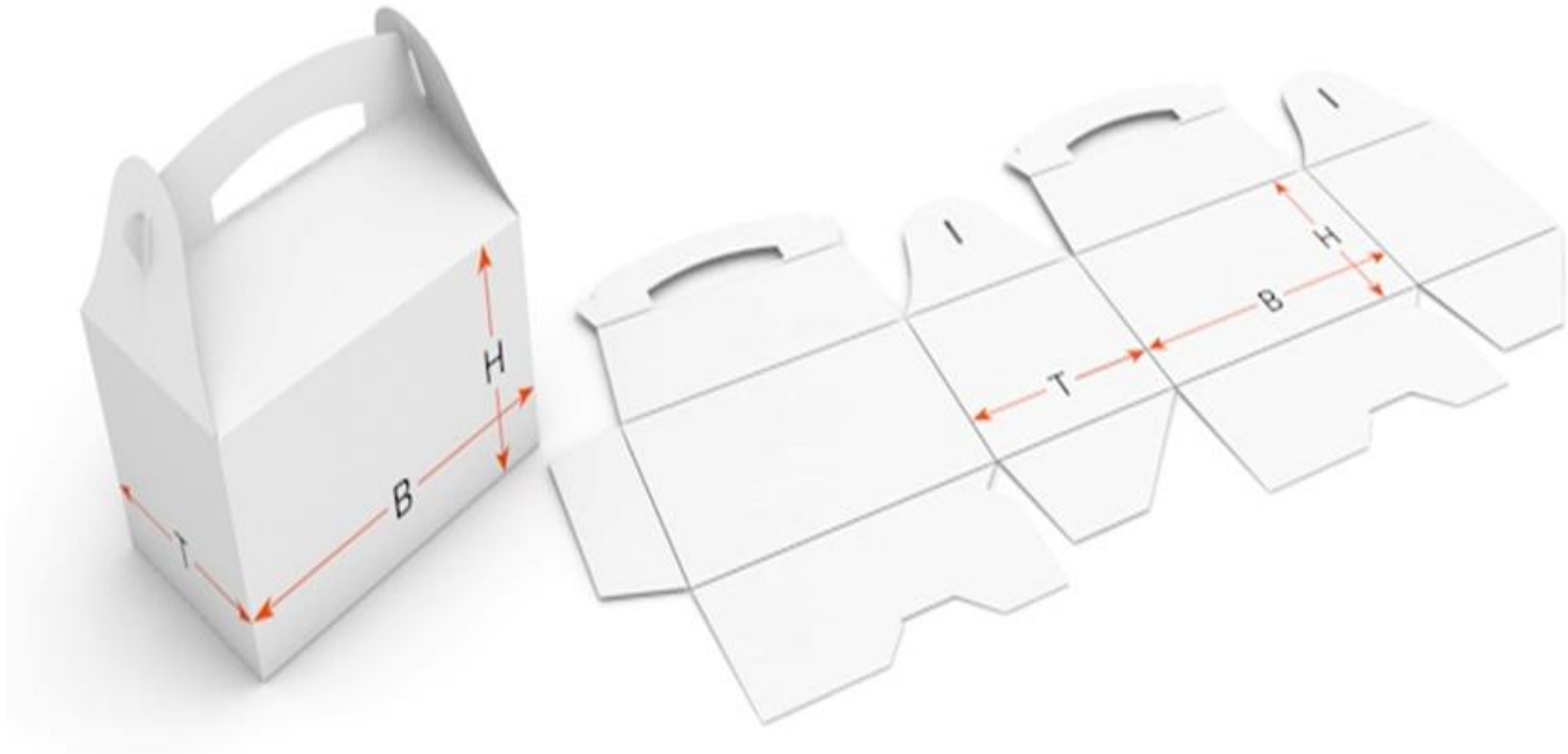
20 JAHRE LASERLINE



- LASERLINE expected to contribute 15 million euros to turnover in 2018
- As of 2019, LASERLINE to contribute positively to Group earnings
- Contribution to earnings is not yet expected to be positive in 2018
- LASERLINE operates in Berlin and has a staff of more than 160 employees
- LASERLINE has an outstanding customer base, a comprehensive product range, high-quality technical facilities
- Acquisition effective as of January 2018

- ▶ **CEWE continues to grow in commercial online printing**
- ▶ **Takeover enables CEWE to generate mutual growth and achieve better purchase conditions and other economies of scale**

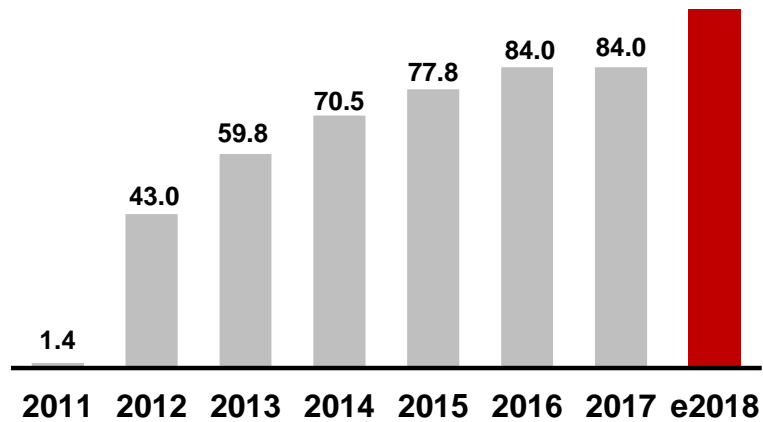
New: easy box for custom-made folding box products



- ▶ **Formats configurable down to a millimetre at favourable prices**

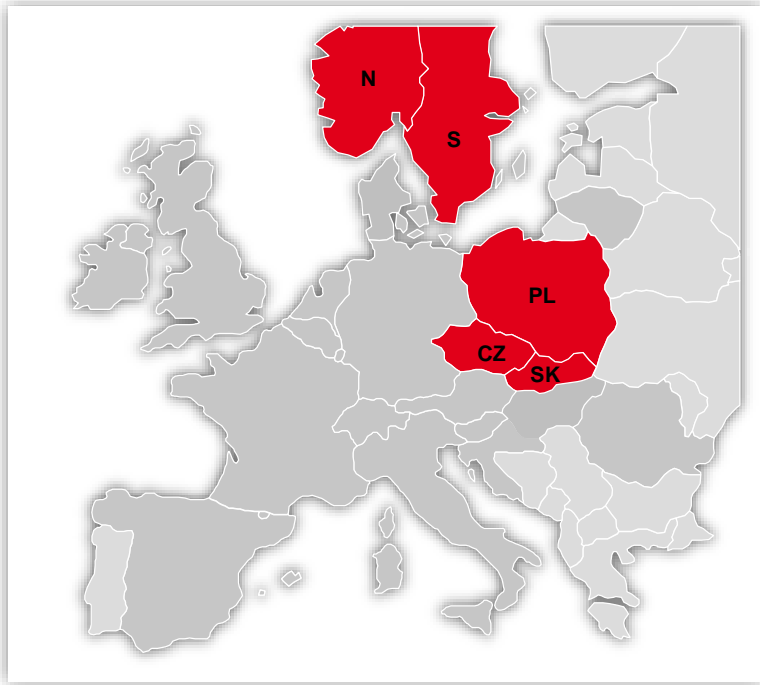
Commercial Online-Print

Revenue (in Euro millions)



- ▶ **Commercial Online-Print with strong increase in 2018**

CEWE's retail business



- 143 retail stores
- EUR 54.9 million revenue (2016) 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

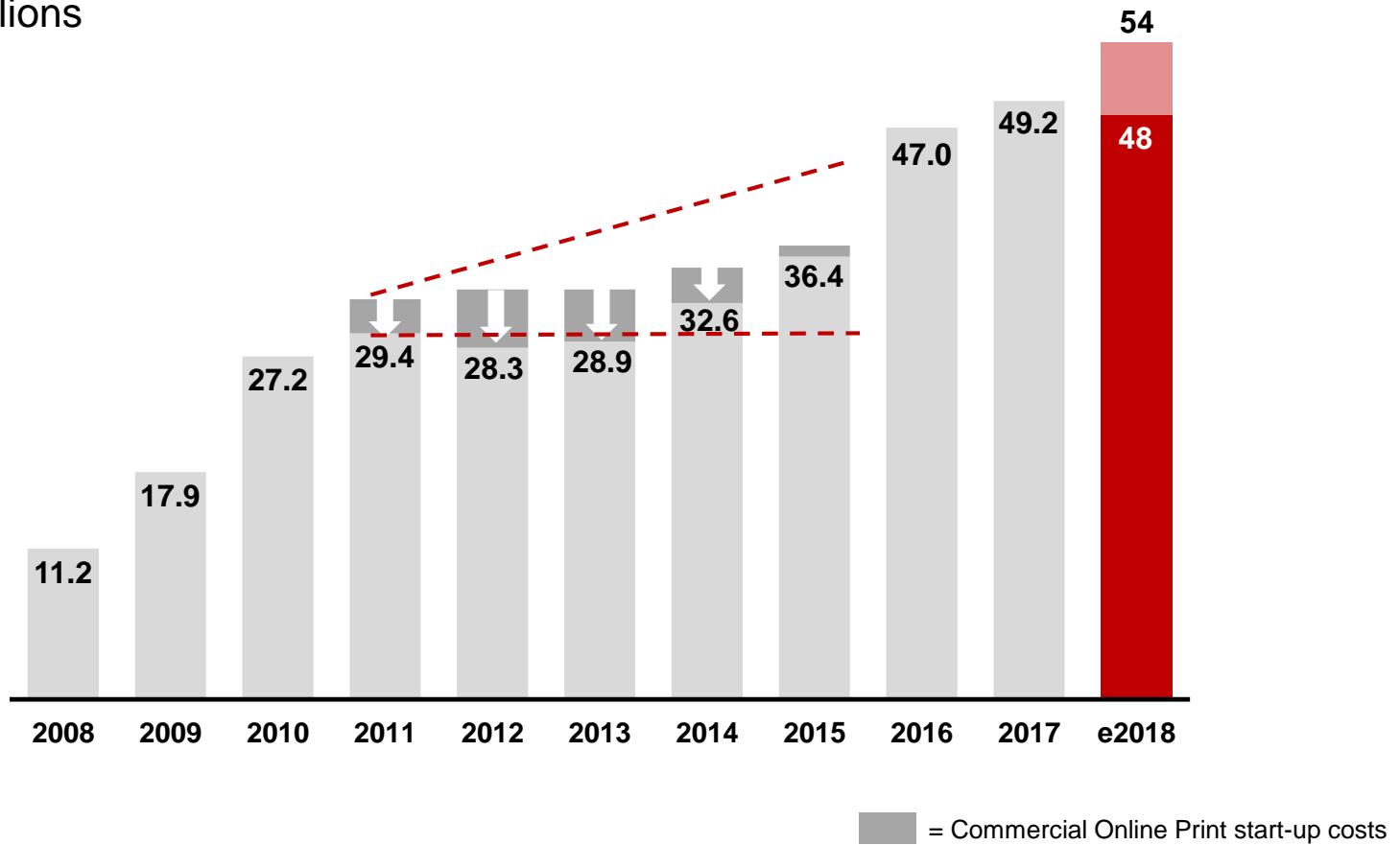
Retail strategy



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

EBIT Development

in Euro millions

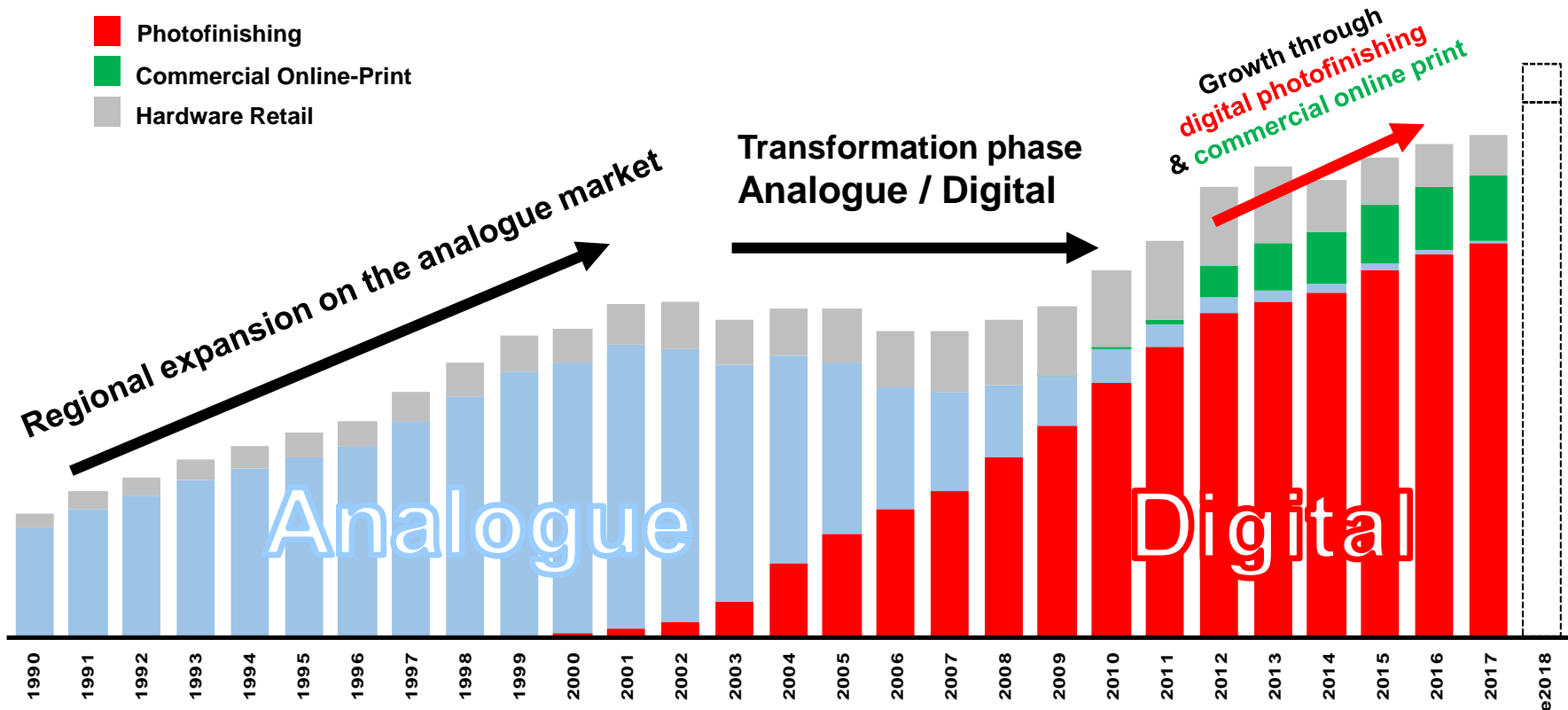


► EBIT-target for 2018 expanded

CEWE growth phases

CONCEPTUAL

Revenue



▶ **CEWE continues to grow in 2018: Targeted sales between 630 and 665 Euro millions (2017: 599 Euro millions)**

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%

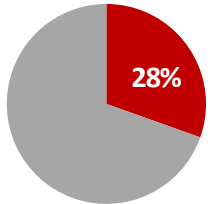
Rounding differences might occur.

* 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)

CEWE Equity Story

Shareholders taking decisions



28% of shares are represented in management and supervisory board

Growth ahead

Natural consolidator and growth in fotofinishing



- **23%** fotobook market share in Western Europe (x3 vs. #2)
- **40%** market share in Germany

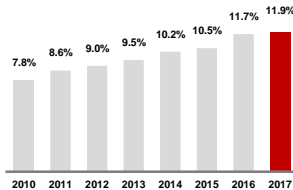
Growth area: Commercial Online-Print



Growing profit

Increasing profitability

Operational Photofinishing EBIT margin



Strong brand awareness protects price

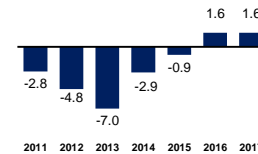
57% unaided brand awareness
75% aided brand awareness



(in Germany, Source Nielsen Panel)

Profitability supported by online print break-even

EBIT Commercial Online-Print



Reliable stability

Strong equity ratio

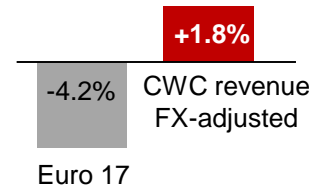
56.0%
Equity ratio
Dec 31, 2017

Solid cash position

Highest **net cash** position per Dec 31, just after peak season

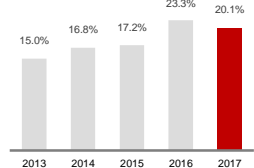
Stable also in weak economy

Growth 2009



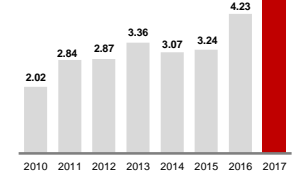
Strong ROCE

ROCE [%]



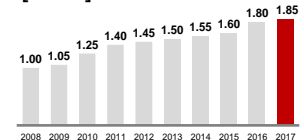
EPS

Earnings per share [EUR]



Reliable Dividend

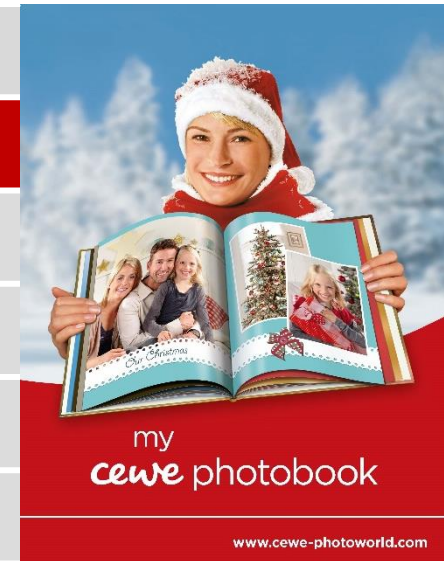
Dividend per share [EUR]



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

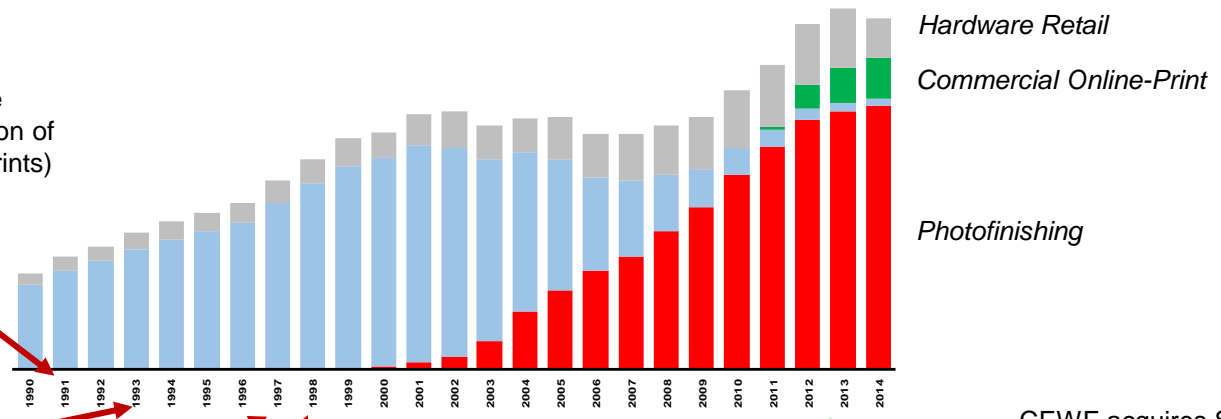
Agenda

1. In a nutshell
- 2. Corporate Development**
3. Sustainability
4. Annual results 2017
5. Results Q3 2018
6. Share

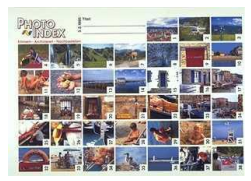


Corporate development: Early innovations as key success factor

Revenue development 1990 to 2014



CEWE introduces the „Photo-CD“ (digitization of analogue films and prints)

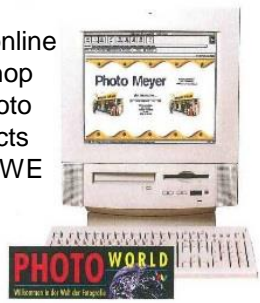


CEWE invents the „Photo Index“ as first digitally produced picture



CEWE installs first photo terminal worldwide

First online webshop for photo products by CEWE



CEWE starts M&A discussions in business printing

diron
Add-on of competencies: web-based digital printing for professionals

CEWE acquires Saxoprint and introduces CEWE-PRINT

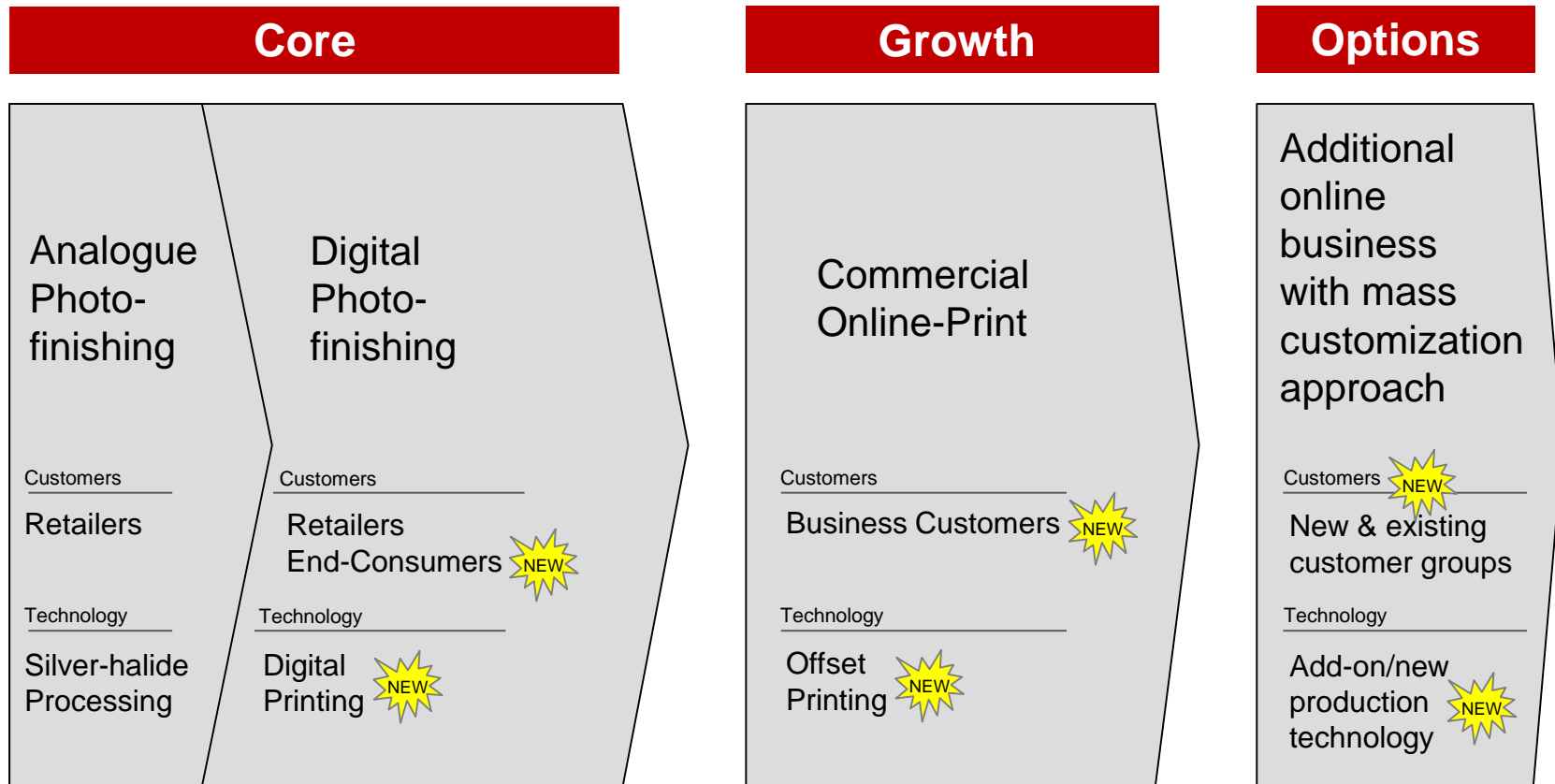


CEWE introduces Viaprinto



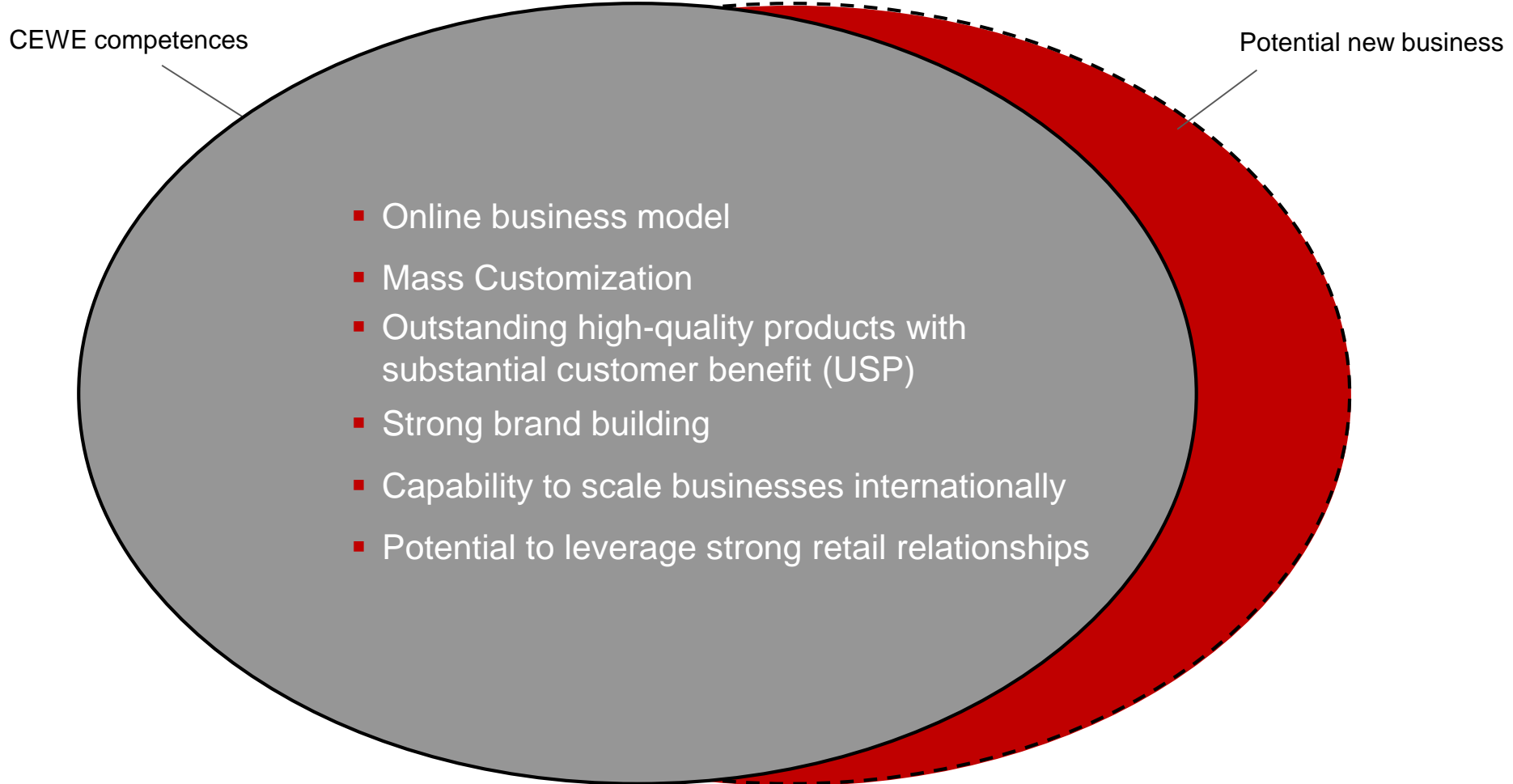
► Each growth area needs patience ... and long-term perspective

Corporate development: Expanding in adjacent growth areas



- ▶ In order to avoid cannibalization, CEWE is targeting adjacent growth (in addition to continuous innovation of the core business)
- ▶ Even in core business: Continuous innovation

Start-up screening logic: In search of adjacent growth



- ▶ **Start-up characteristics: CEWE's well-known areas of expertise, but also new ground in adjacent areas**

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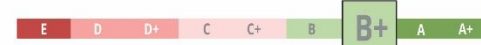
Rating by sustainability intelligence



Das Unternehmen

CEWE Stiftung & Co. KGaA Meerweg 30-32, 26133 Oldenburg

hat auf Basis der ganzheitlichen Nachhaltigkeitsanalyse mit der Ö2SE-Methode® das Rating



auf der neunstufigen Skala von A+ bis E erhalten. Das Unternehmen zeigt damit im Verhältnis zur Peer Group eine sehr hohe Nachhaltigkeitsleistung.

Zertifikat-Nummer: 180221
Berlin, 29. August 2018

Prof. Liebig, Chief Scientific Officer

Das Zertifikat hat eine Gültigkeit von einem Jahr. Durch das laufende Monitoring kann es zur Änderung des Ratingergebnisses kommen. Erläuterungen zur Methode der Nachhaltigkeitsanalyse unter

www.sustainability-intelligence.de

E2SE Sustainability Rating GmbH | Mohrenstraße 34, 10117 Berlin | Tel: +49 30 51 69 56 100 | info@sustainability-intelligence.de

sustainability
intelligence

Zertifikat

sustainability
intelligence
rating 05.2018

CEWE Stiftung & Co KGaA
• ökonomisch
• ökologisch
• sozial
• ethisch

B+

Principles of our sustainable actions

- 1 Corporate responsibility
- 2 Future economic viability
- 3 Protection of resources and the environment
- 4 Responsibility for employees
- 5 Social commitment

▶ **CEWE assumes responsibility**

"Dialogues with our employees and stakeholders are firmly anchored in our sustainability strategy."

- Dialogues with stakeholders for a materiality analysis
 - Compliance with regulations, norms and laws (orientation towards the "honourable businessman")
 - Partnerships and memberships in important institutions and associations
- ▶ **CEWE's approach is based on long-term business success**

2 Future economic viability: sustainable financial management

Financial management ensures that operational functions are free of financial constraints

- Added value from operative business and not from financial fine-tuning
- Securing the long-term success of the Group
- Financial resources provide considerable scope for decision-making
- Decisions solely on the base of operative and strategic benefit

"CEWE thinks decades"

Long-term security & strategic freedom

Strong balance: high capital ratio

- Not dependent on the current financial market situation
- Stability: no reduction in the capital ratio in order to increase returns

Sound debt financing: considerable proportion of long-term lines

- Trustworthy, long-term banking relationships
- Healthy mix of long-term and short-term loan periods
- Sufficient amount of unused credit facilities

2 Future economic viability: sustainable financial management

Investments

Don't be afraid of investments, but have a sense of proportion and sound judgement

Ensuring major investments with investment calculations

- Subsequently checking and assessing major investments
- Financial margins permit the exploitation of special offers for long-term advantages
- No speculative investment of available liquid resources

Cost-awareness

Cost-awareness typical for medium-sized companies at CEWE

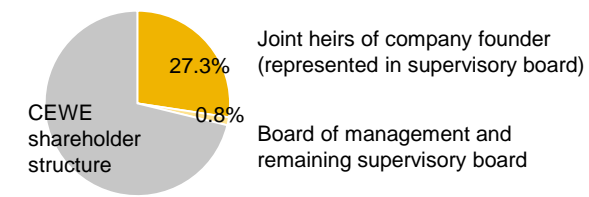
- Exploiting internal competences/resources
- Check of various alternatives

Investor relations

Investors with long-term perspectives are addressed

- Active communication of long-term perspectives to investors
- Targeted contacts to investors with a long-term focus

2 Future economic viability: Advantages of family-run, stock-exchange listed companies



Advantages

Situation at CEWE

Family enterprise

- + Less short-term quarterly mindset obliges
- + Focus on a few core areas ...
- + ... in which the management is an expert
- + No principal-agent problems
- + mainly organic growth, only minor acquisitions
- + Sound financing

- ✓ Large-scale investment in digital technology in order to secure the future of the company
- ✓ Photofinishing as the core area of business; new area with positive synergies
- ✓ Anchor persons in the management have shaped the development of the industry for many years
- ✓ Board of Management and Supervisory Board with large share ownership
- ✓ Only "digestible" acquisitions
- ✓ Sound equity ratio
Comprehensive available credit lines
- ✓ Comprehensive IR activities
- ✓ Profit in each year of transformation

Stock-exchange listed company

- + Transparent information policy
- + Focus on earnings

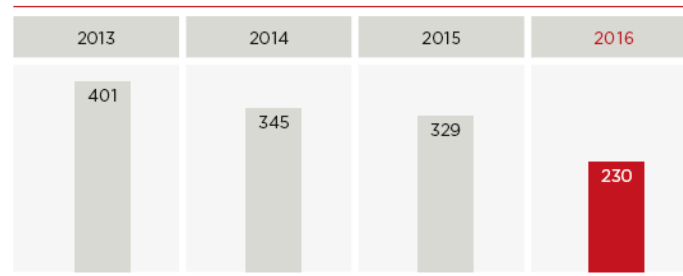
▶ **CEWE combines the advantages of stock-exchange listed companies and family enterprises**

3 Protecting resources and the environment

"Our initiatives all have one goal: sustainable CO₂ reductions."



CO₂ emissions in kg/t of materials used 2013-2016



- Save energy
- Conserve resources
- Recycling
- Ecological product optimisations
- Cooperation with nature conservation associations (e.g. NABU, WWF)

▶ Environmental protection is an ongoing process at CEWE

4 Responsibility for employees

"Our focus is on our employees and their families."



- Combining a career and a family (CEWEIno)
- Diversity and equal opportunities
- Vocational and in-service training
- Employee-shareholder
- Safety at work and health protection
- Employee participation and satisfaction

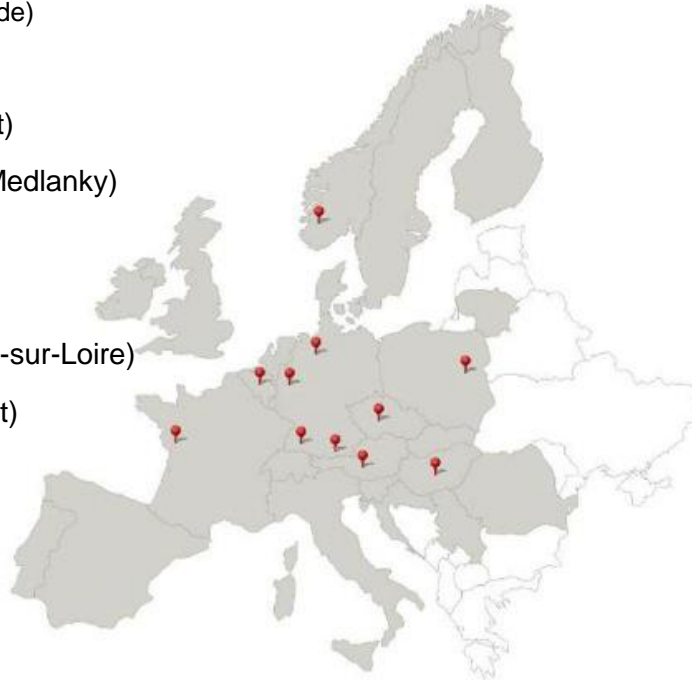
▶ **CEWE has been distinguished for its family friendliness**

5 Social commitment

"Acting responsibly on behalf of society and social commitment are part of our self-conception."

11 cooperations with SOS KINDERDÖRFER

- Germany (Düsseldorf, Schwarzwald, Ammersee, Worpswede)
- Poland (Siedlce)
- Hungary (Budapest)
- Czech Republic (Medlanky)
- Norway (Berge)
- Austria (Moosburg)
- France (Saint-Luce-sur-Loire)
- Belgium (Cantevent)

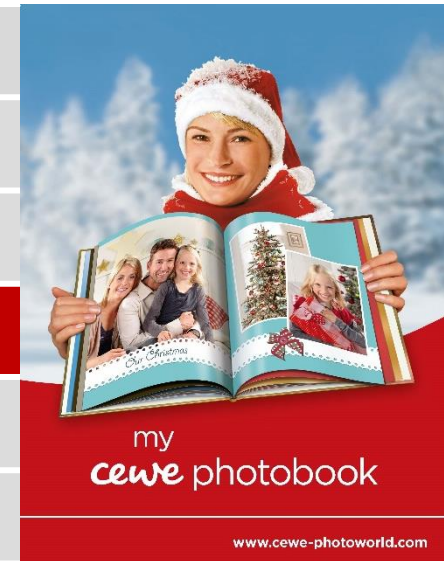


- Promotion of young talent
- Social commitment at all the CEWE locations
- Support for staff members working in an honorary capacity
- Cooperation with SOS children's villages all over the world
- Retaining the cultural asset of photography

▶ **CEWE is firmly rooted in its social environment.**

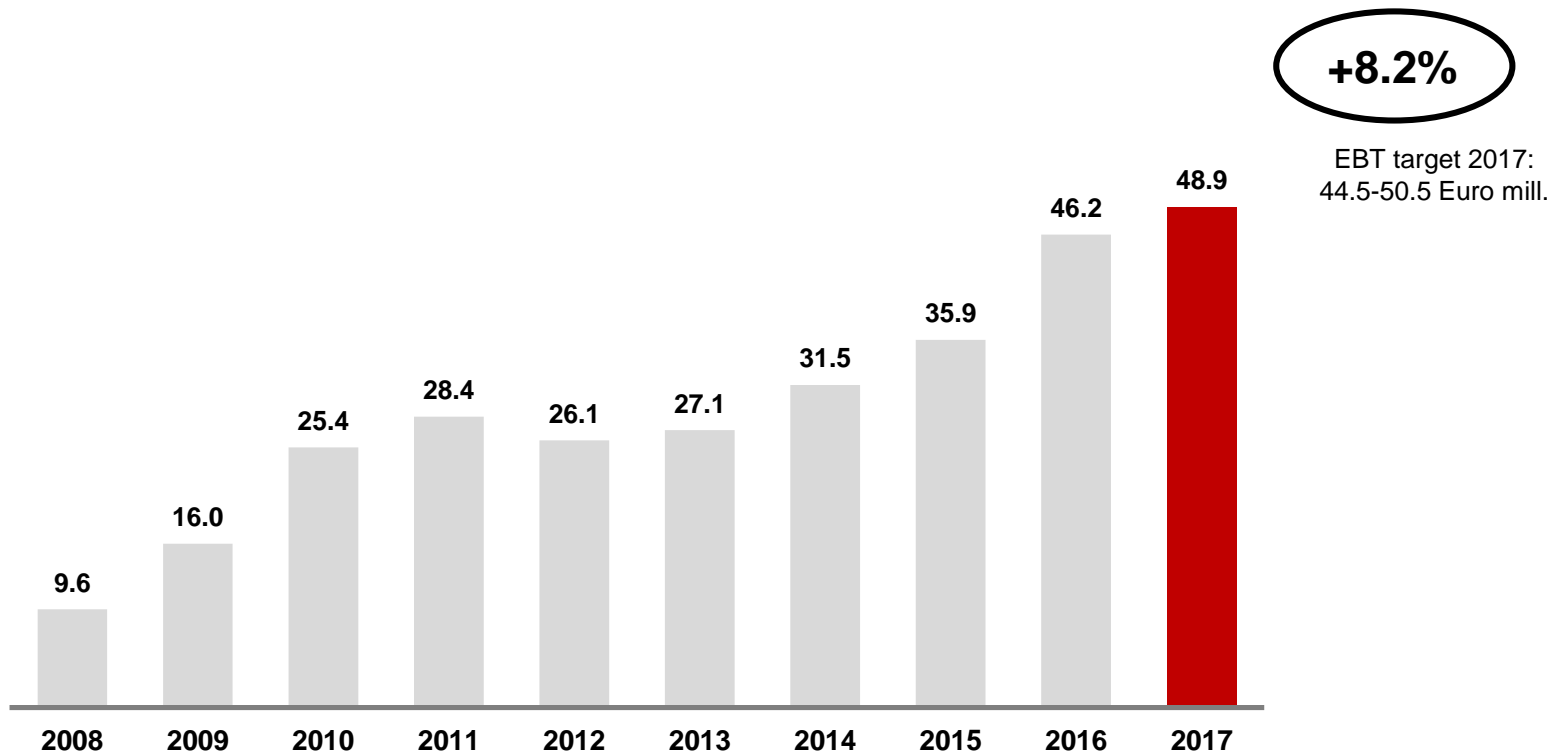
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Earnings before taxes (EBT)

in Euro millions



- ▶ **Consolidated result increases by 8.2% in 2017, clearly within the target corridor**

Rounding differences might occur.

Outlook 2017

Targets		2016	Target 2017	2017
Photos digital	billion photos	2.18	2.08 to 2.18	2.13
Photos analogue	billion photos	0.06	0.040 to 0.045	0.047
Photos total	billion photos	2.23	2.12 to 2.23	2.17
CEWE PHOTO BOOK	million books	6.2	6.00 to 6.25	6.02
Investments*	Euro millions	49.8	approx. 55	44.6**
Revenue	Euro millions	593.1	585 to 615	599.4
EBIT	Euro millions	47.0	45 to 51	49.2
EBT	Euro millions	46.2	44.5 to 50.5	48.9
Earnings after tax	Euro millions	30.4	30 to 34	33.6
Earnings per share	Euro per share	4.25	4.23 to 4.81	4.70



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

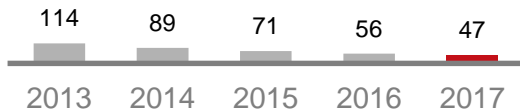
** EUR 44.6 million in operational investments including building expansion in Oldenburg, plus acquisition of property "Saxopark" in Dresden (EUR 27.6 million)

► **Outlook 2017 clearly achieved**

Photos

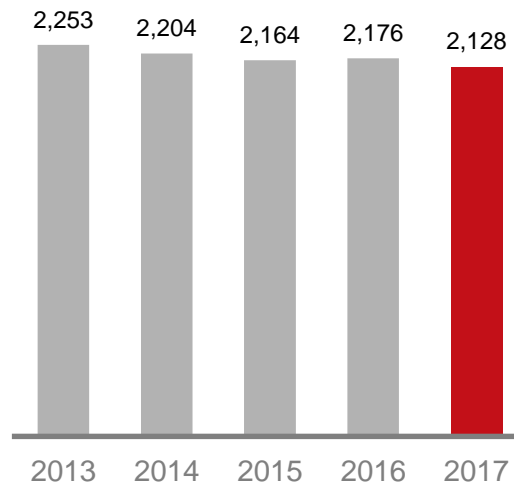
Photos from films
in millions

-16.0%
Target 2017:
-29% to -20%



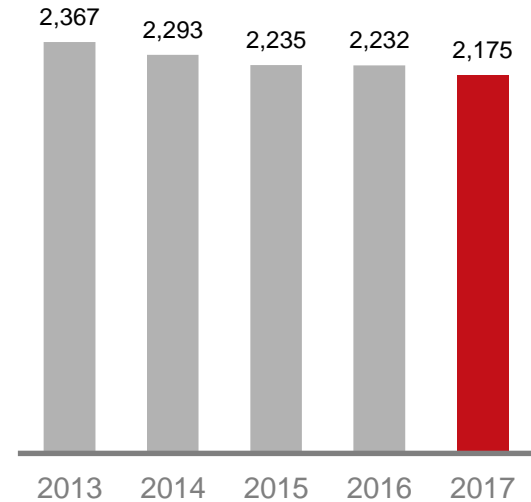
Digital photos
in millions

-2.2%
Target 2017:
-4% to 0%



Photos total
in millions

-2.6%
Target 2017:
-5% to 0%

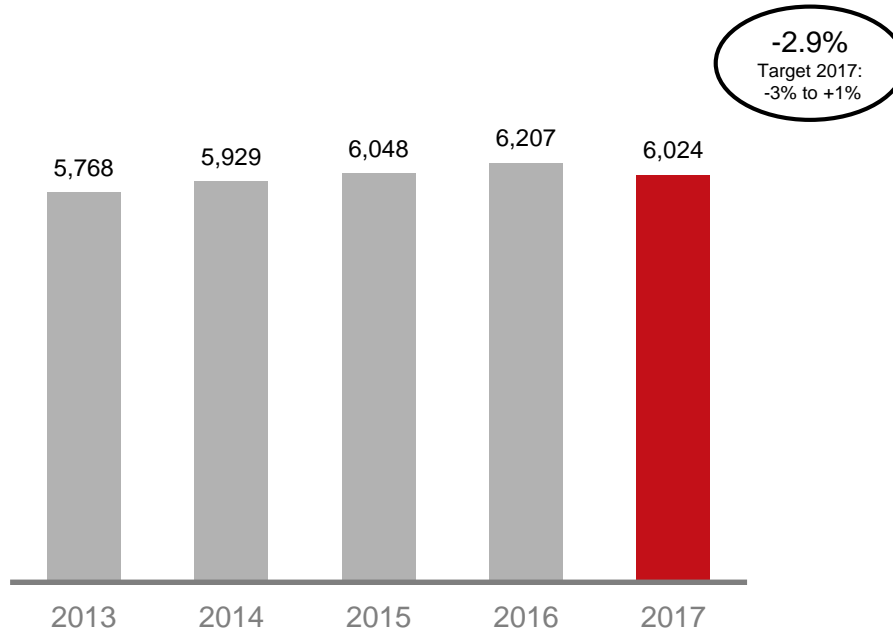


► **Q1-4 volume development within range**

Rounding differences might occur.

CEWE PHOTOBOOK

Number of CEWE PHOTOBOOKS in thousands



- From Jan 1, 2017: Strong VAT increase on photobooks in most important market Germany from 7% to 19%, mostly borne by consumers
- Slight reduction in the number of CEWE PHOTOBOOKS in 2017 as a whole, but at the same time, sales increased as a result of selling prices paid by customers
- Second half of 2017, CEWE PHOTOBOOK volume was already growing again

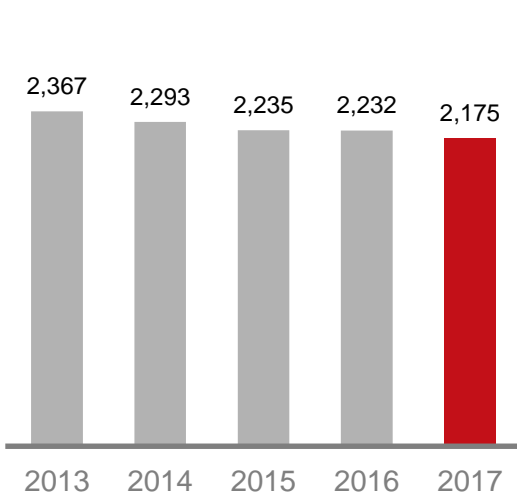
- ▶ **Difficult first half of the year with sales tax increase on photo books**
- ▶ **Growth in the second half of 2017 lifts annual volume into the target corridor**

Rounding differences might occur.

Value of Photos

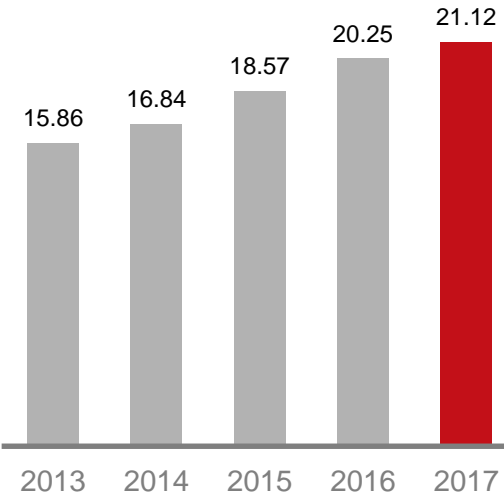
Total prints
in Euro millions

-2.6%



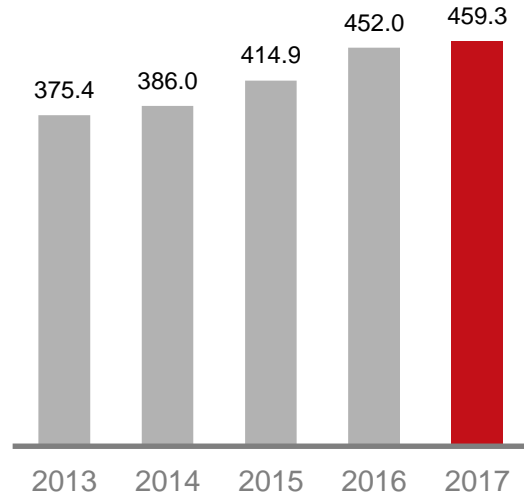
Value per photo
Turnover / photo
[Euro cent / photo]

+4.3%



Turnover photofinishing
Q1-4
in Euro millions

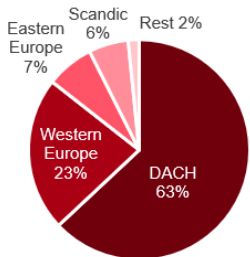
+1.6%



- ▶ Rising share of value-added-products increases turnover per photo and photofinishing revenue

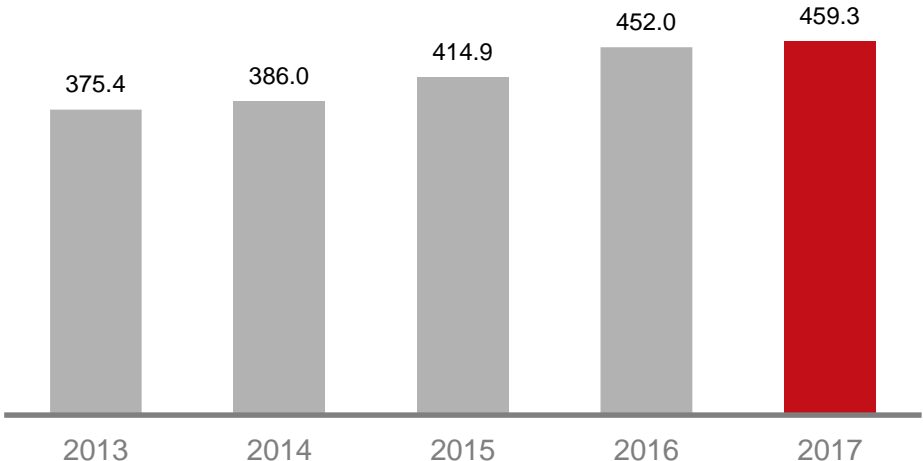
Rounding differences might occur.

Business segment Photofinishing

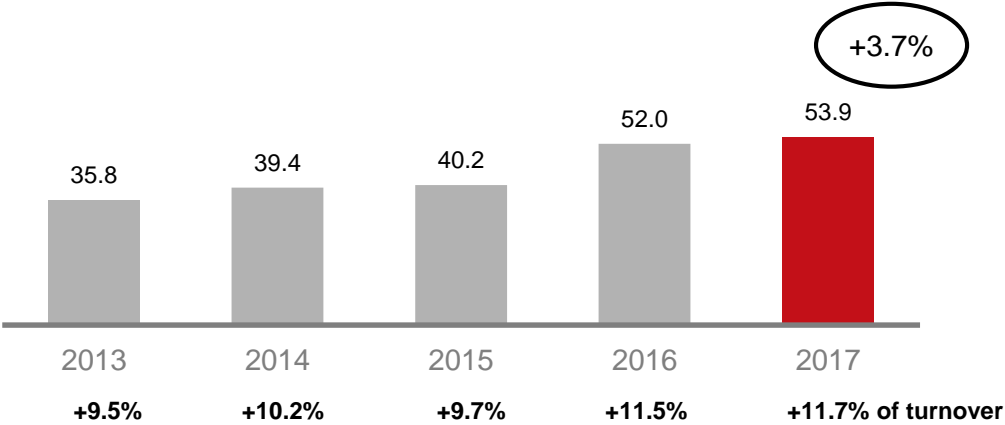


Turnover

in Euro millions



EBIT



- In particular, photo gifts and CEWE CALENDARS bear the growth in sales alongside the CEWE INSTANT PHOTOS. CEWE PHOTO BOOK with sales decline only in the first half of 2017 due to VAT increase and base effects
- Before special items PF-EBIT at 54.5 million euros (11.9% of turnover, previous year 2016 before special effects: 11.7%, 52.8 million euros)

- Special items 2017: -0.6 million euros**
- Additional expenses employee shares: -0.6 million euros
 - PPA-effects: -0.4 million euros (DeinDesign)
 - Sale of property in Denmark: +0.4 million euros
- Special items 2016: -0.8 million euros**
- Goodwill-depreciation: -3.0 million euros (UK + DeinDesign)
 - PPA-effects: -0.4 million euros (DeinDesign)
 - Restructuring costs: -0.2 million euros (DeinDesign Berlin)
 - Initial supply of retail partners: +2.1 million euros
 - Sale of Smilebooks USA: +0.4 million euros
 - Sale of property in Graudenz: +0.3 million euros

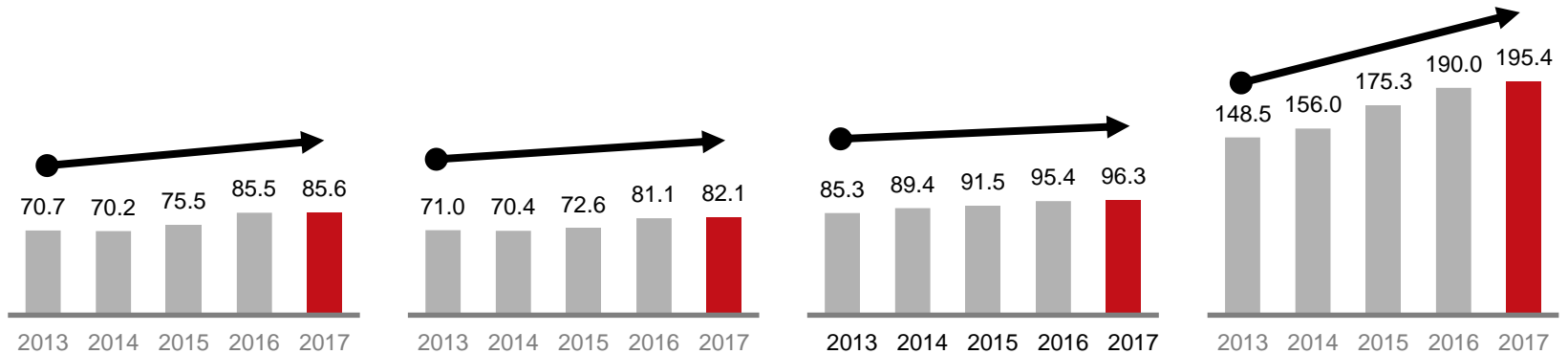
▶ **Photofinishing continues profitability improvement: Operating EBIT margin 11.9%**

Rounding differences might occur.

Turnover by Quarter - Photofinishing

Seasonal distribution: CEWE 2013 to 2017

Turnover by quarter in Euro millions



Turnover target 2017
Approx.
443 – 473 m€*

Q1 Target
82.0 – 87.6 Euro mill.

Q2 Target
79.7 – 85.2 Euro mill.

Q3 Target
90.8 – 97.0 Euro mill.

Q4 Target
190.7 – 203.6 Euro mill.

2017 Actual ✓
459.3 m€

Q1 Actual ✓
85.6 Euro mill.

Q2 Actual ✓
82.1 Euro mill.

Q3 Actual ✓
96.3 Euro mill.

Q4 Actual ✓
195.4 Euro mill.

Rounding differences might occur.

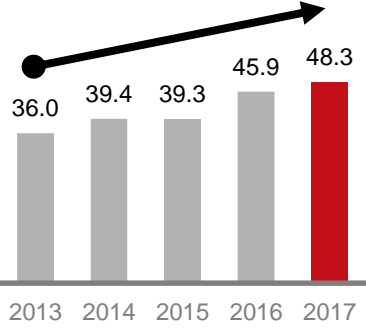
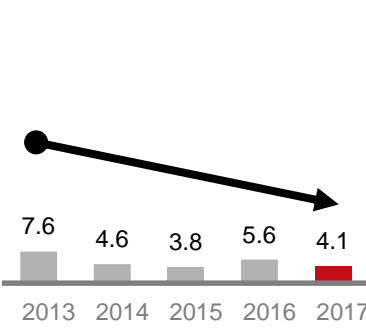
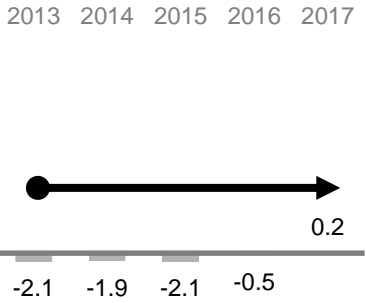
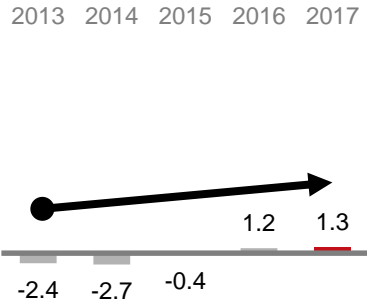
► **Value added products are keeping also Q4 photofinishing revenue within expected range**

*585-615 Euro million group turnover target less planned retail and online printing turnover

EBIT before Restructuring by Quarter - Photofinishing

Seasonal distribution: CEWE 2013 to 2017

EBIT before restructuring by quarter in Euro millions



EBIT target 2017 Photofinishing
45.2 – 51.2 Euro mill.*

Q1 Target
+1.18 – +1.33 Euro mill.

Q2 Target
-0.45 – -0.51 Euro mill.

Q3 Target
+3.84 – +4.35 Euro mill.

Q4 Target
+40.63 – +46.03 Euro mill.

2017 Actual
+53.9 Euro mill. ✓

Q1 Actual
+1.349 Euro mill. ✓

Q2 Actual
+0.216 Euro mill. ✓

Q3 Actual
+4.106 Euro mill. ✓

Q4 Actual
+48.257 Euro mill. ✓

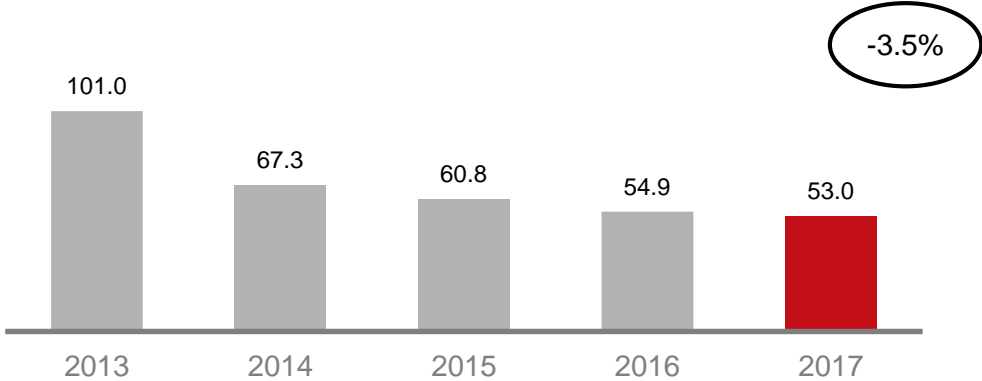
▶ **Photofinishing EBIT exceeds expected range in Q4 2017**

* 45 to 51 Euro mill. group EBIT-target less planned retail and online printing EBIT
Rounding differences might occur.

Business segment Retail

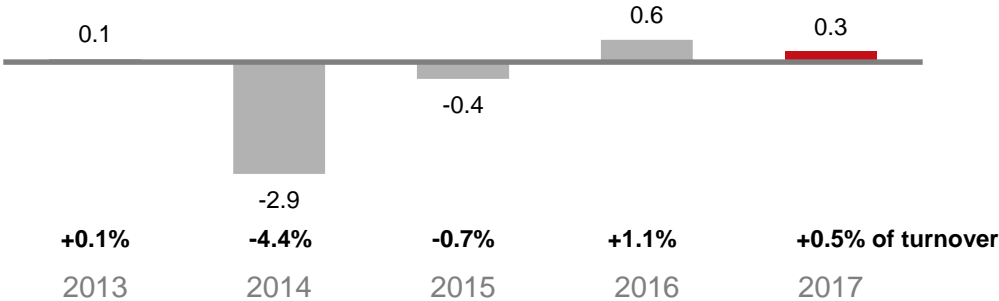
in Euro millions

Turnover*



- Difficult market situation for photo hardware as well as repositioning of the retail with new pricing policy (abandonment of low prices with low margins) and photofinishing product focus reduce hardware sales in 2017

EBIT*

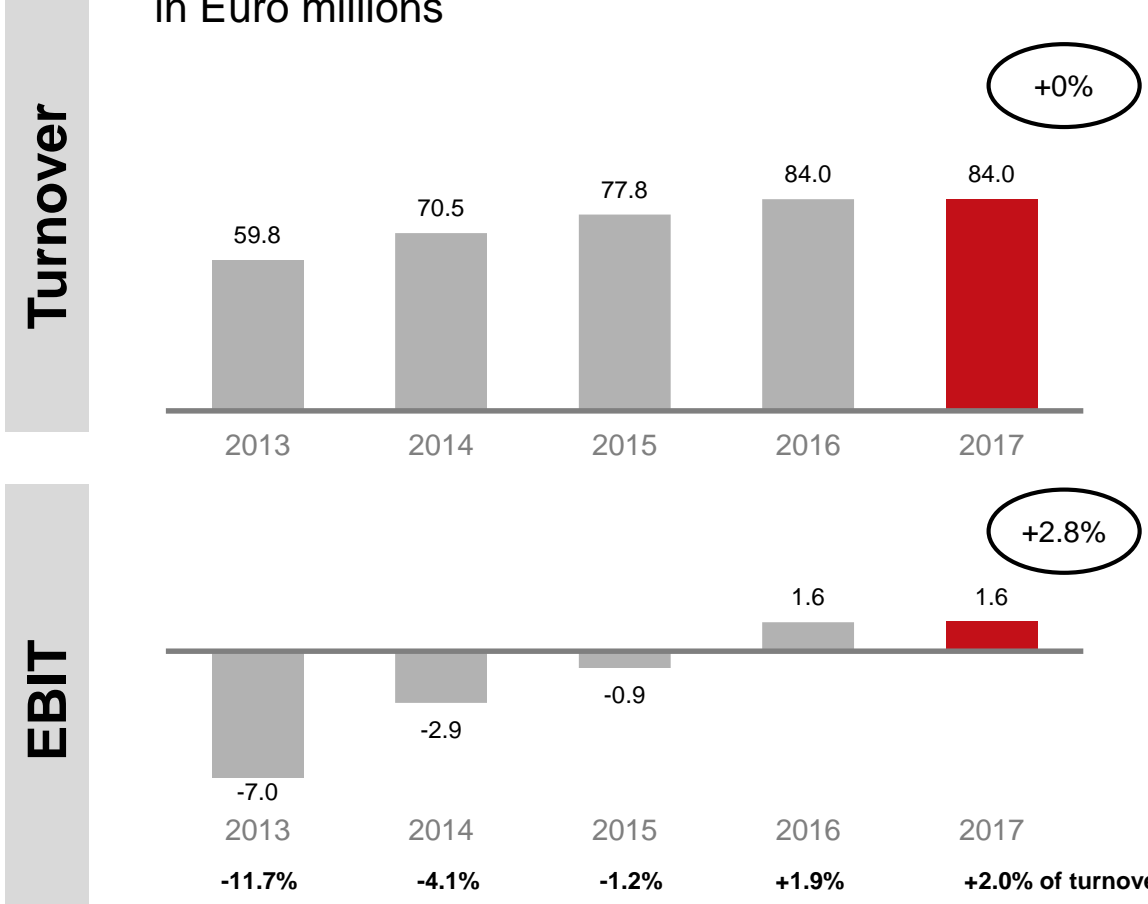


- Retail confirms positive result in difficult hardware retail
- Important Christmas business delivers again positive earnings contributions for the full year

Rounding differences might occur.
* Only hardware, no photofinishing

▶ **Retail confirms positive result**

Business segment Commercial Online-Print



Rounding differences might occur.

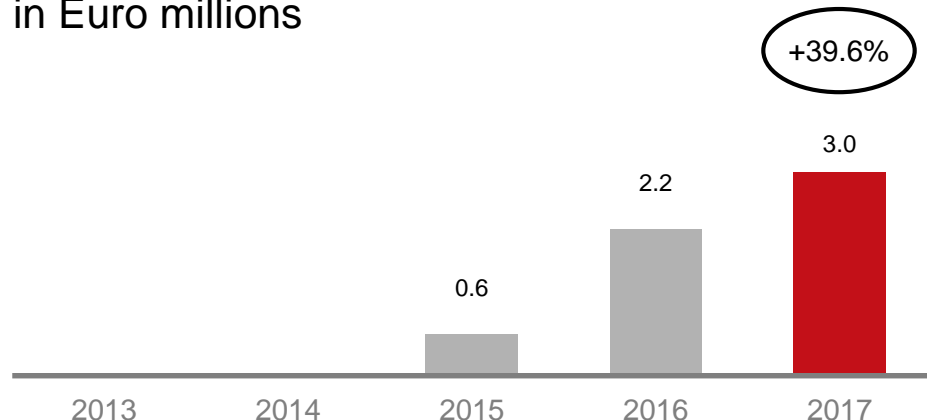
- Q1-4 2017 especially due to Brexit-induced currency and demand losses in the UK with only constant sales
- Without the UK Brexit effect, the COP shows a slight increase of around 1.5% on the previous year
- In addition, price pressure in Germany inhibits growth
- Q4 sales growing again
- Operating EBIT before PPA-effects (EUR 0.7 million) at EUR 2.3 million (2.7% of sales); adjusted operating EBIT in the previous year (EUR 1.7 million PPA-effects) was EUR 3.3 million (3.9% of sales)
- The weaker sales development with lower gross margins, a slightly higher personnel cost ratio and slightly higher marketing costs lead to this development of earnings; Countermeasures led to an improvement in earnings in Q4 compared to the same quarter last year

▶ **Commercial online printing fights against Brexit-induced UK weakness and domestic price pressure: 2017 only at a constant level with the previous year**

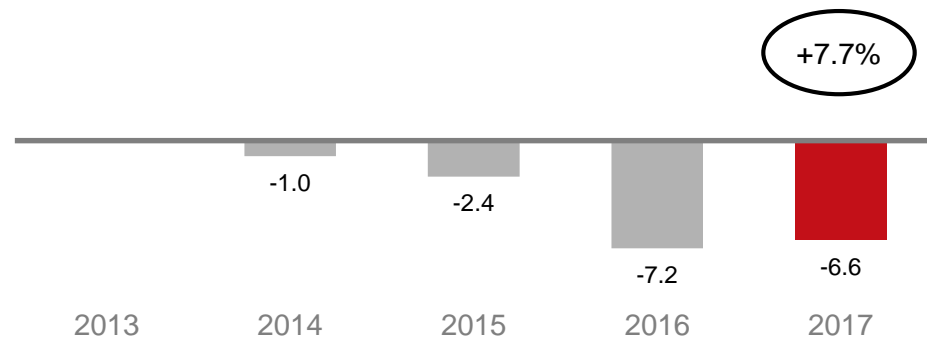
Business Segment Other

in Euro millions

Turnover



EBIT



Rounding differences might occur.

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

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.

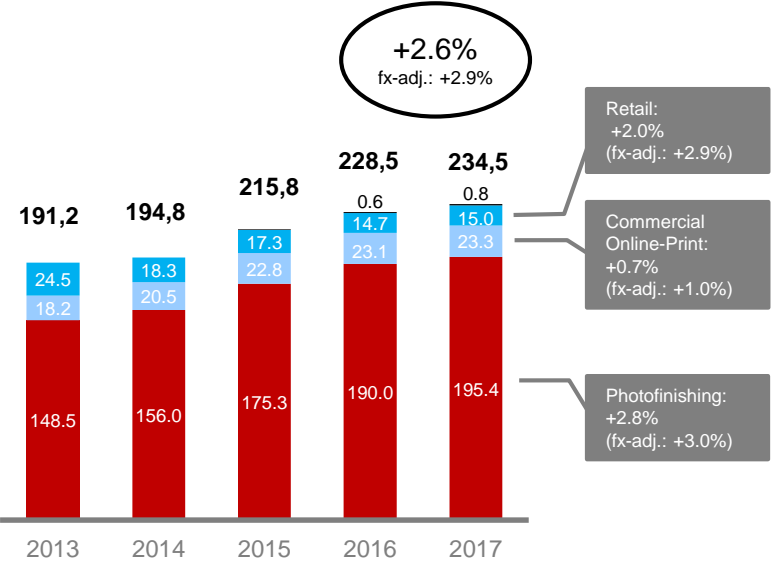
- The reported 3.0 million euros revenue is attributable exclusively to futalis (2016: 2.2 million euros)

- EBIT 2017 contains -3.5 million euros extraordinary depreciation of futalis PPA-assets
- Previous year 2016 with -3.9 million euros goodwill depreciation of futalis

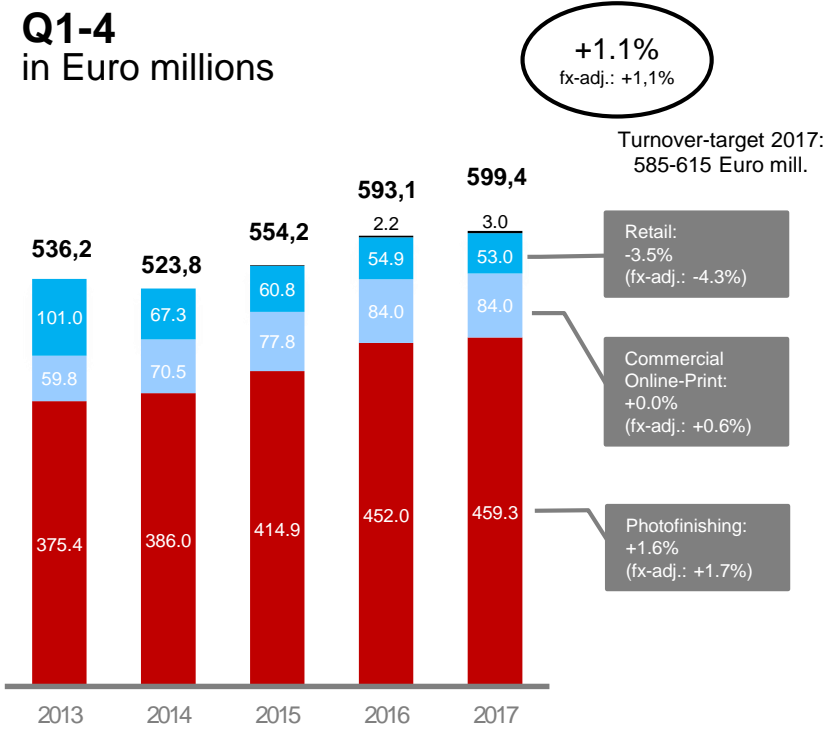
► Business segment "Other" again carries special write-down on futalis

Revenue

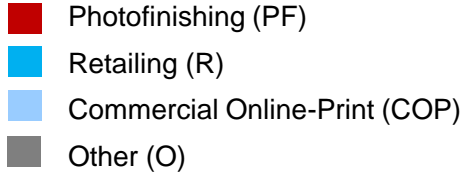
Q4 in Euro millions



Q1-4 in Euro millions



- ▶ In Q4, all business units contributed to the Group's revenue growth
- ▶ Sales growth Q1-4 is driven by photofinishing

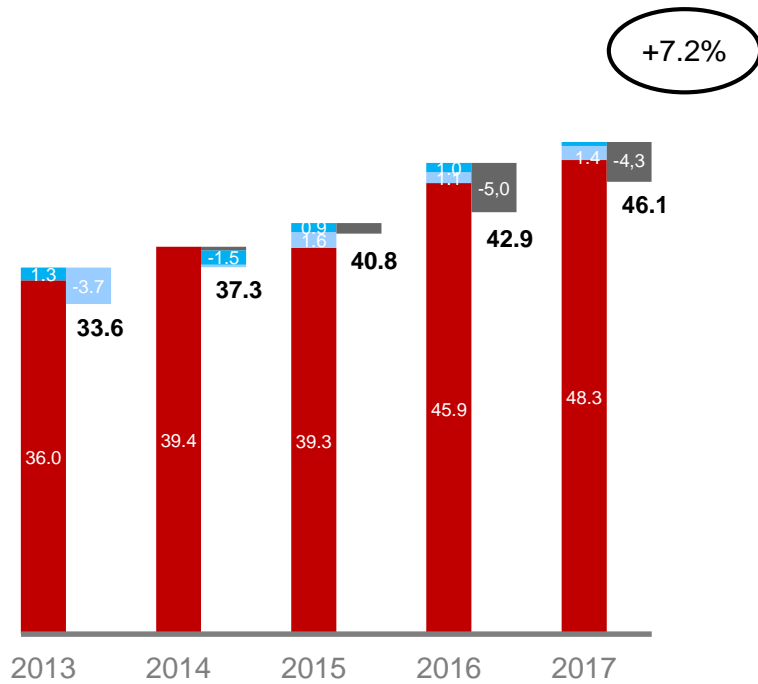


Rounding differences might occur.

EBIT

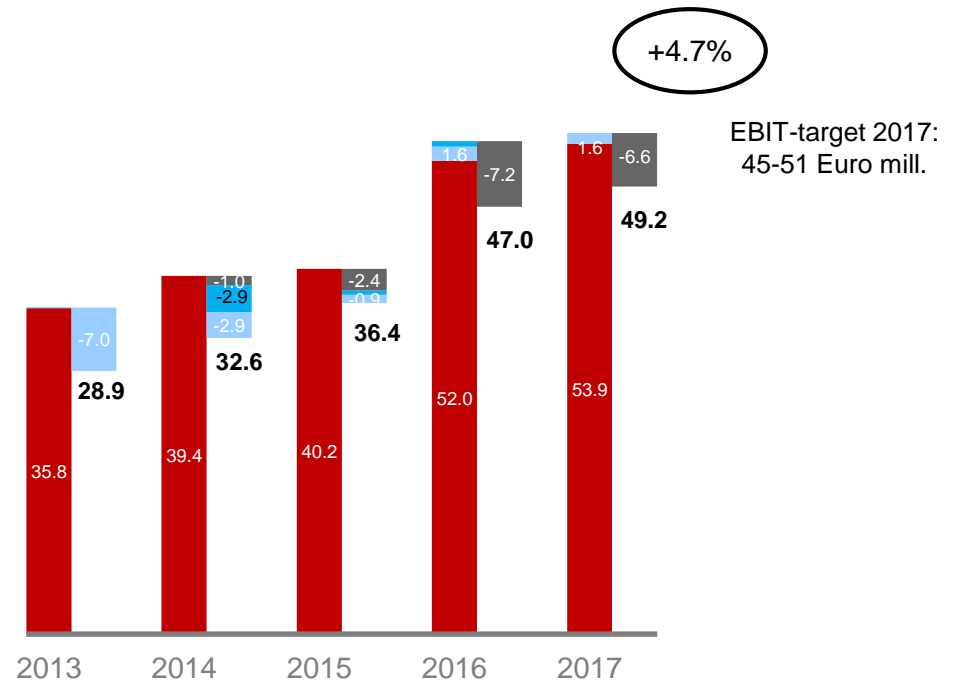
Q4

in Euro millions



Q1-4

in Euro millions



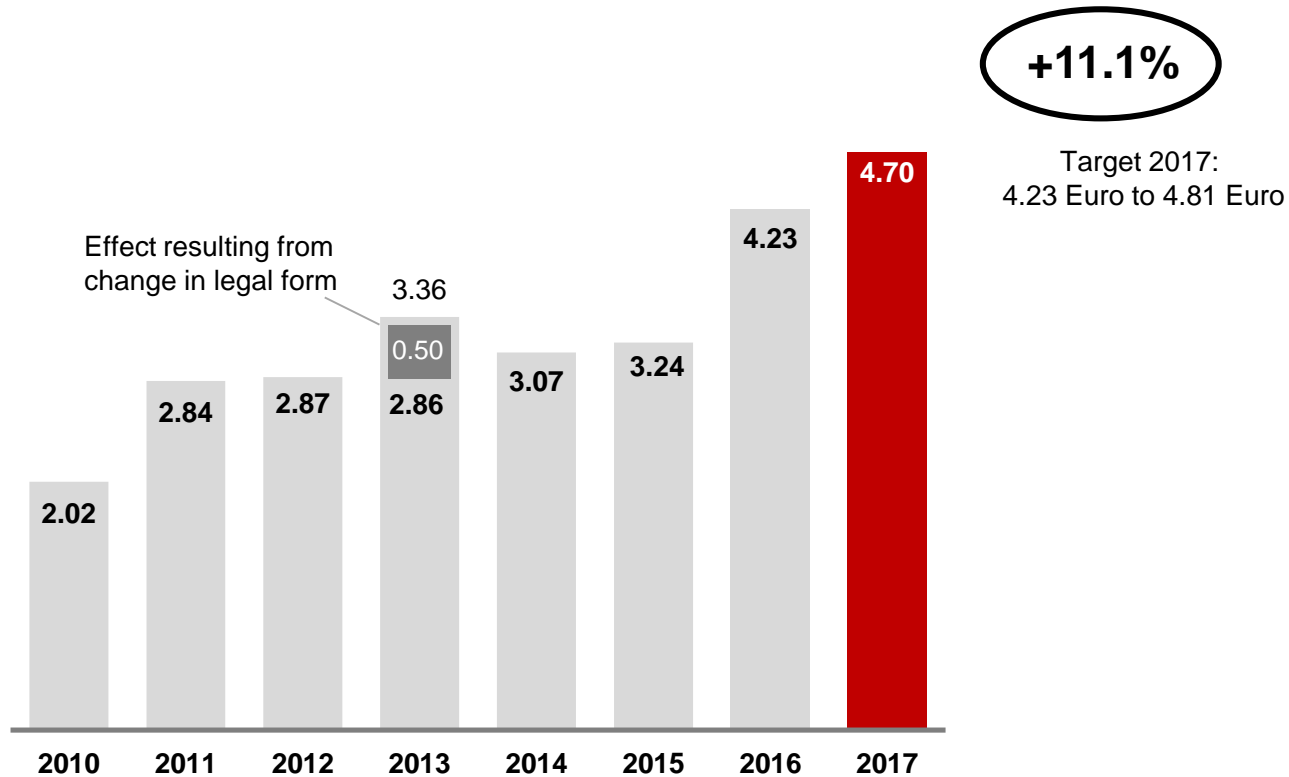
- Photofinishing (PF)
- Retailing (R)
- Commercial Online-Print (COP)
- Other (O)

- ▶ **Photofinishing raises Q4 earnings**
- ▶ **Annual target clearly achieved**

Rounding differences might occur.

Earnings per share

in Euro



► Earnings per share increased and target for 2017 achieved

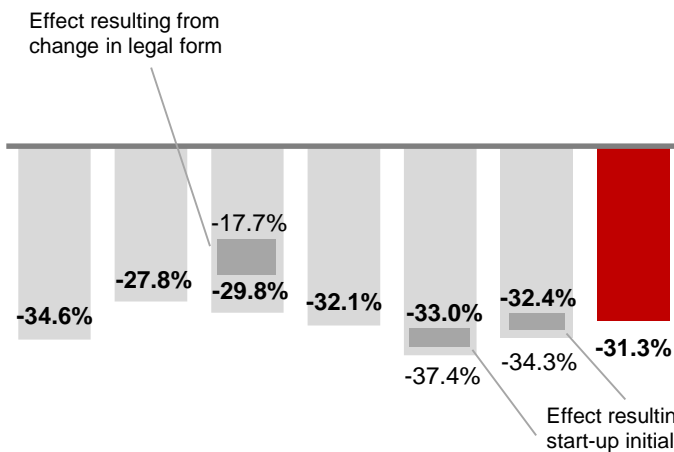
Rounding differences might occur.

Earnings after tax

Tax rate

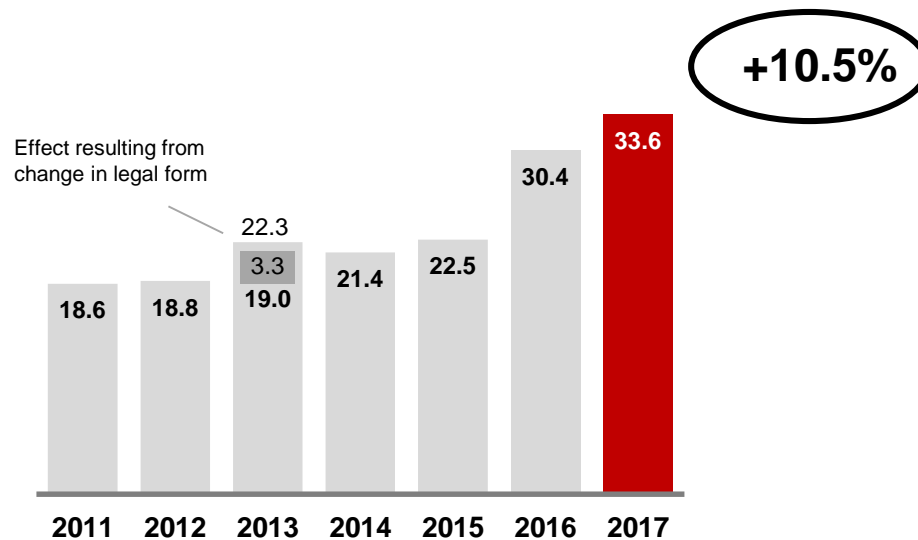
in %

2011 2012 2013 2014 2015 2016 2017



Earnings after tax

in Euro millions

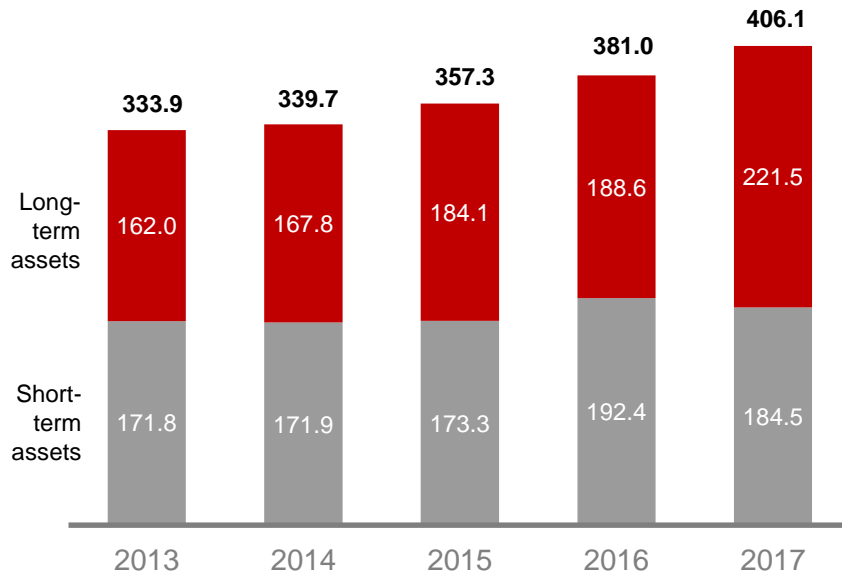


► Tax rate for 2017 at expected level of around 31%

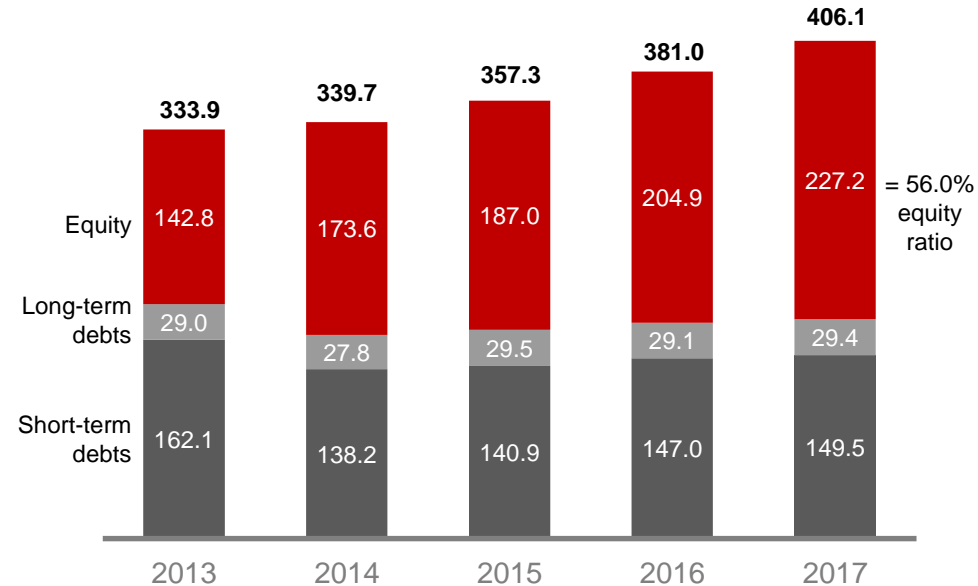
Rounding differences might occur.

Balance Sheet data at 31 December

Assets in Euro millions



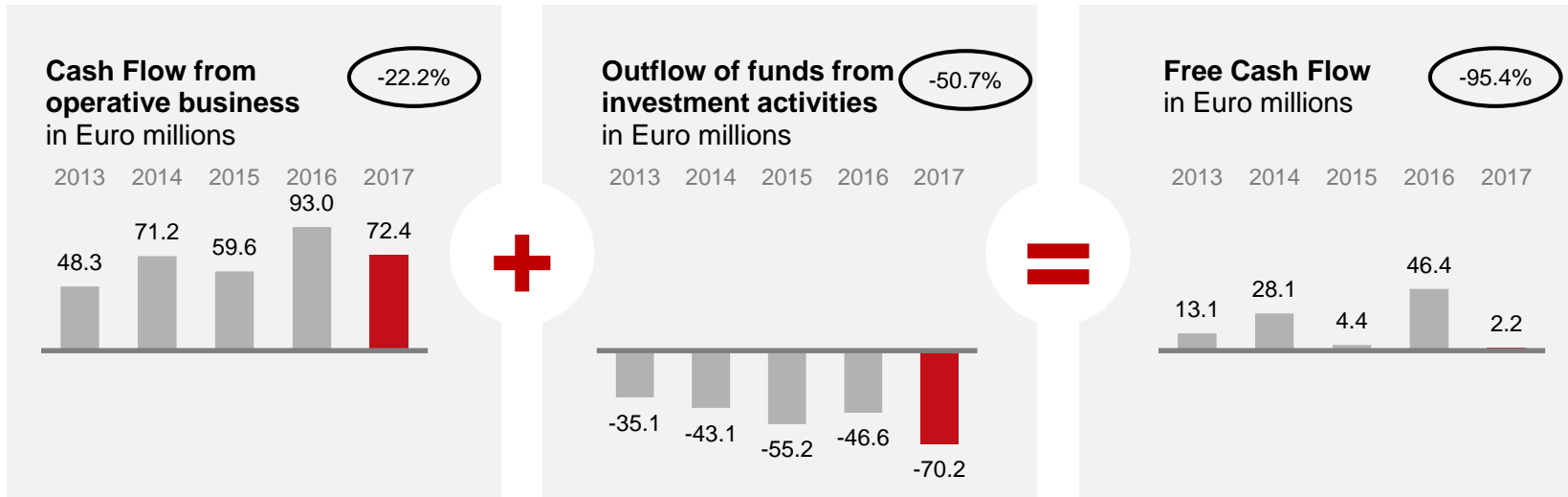
Liabilities in Euro millions



- ▶ Growth in earnings sees equity ratio continuing to increase: 56.0% (PY: 53.8%)
- ▶ Balance sheet extension mainly due to the purchase of Saxopark
- ▶ Golden rule of accounting observed: long-term assets are financed long-term

Rounding differences might occur.

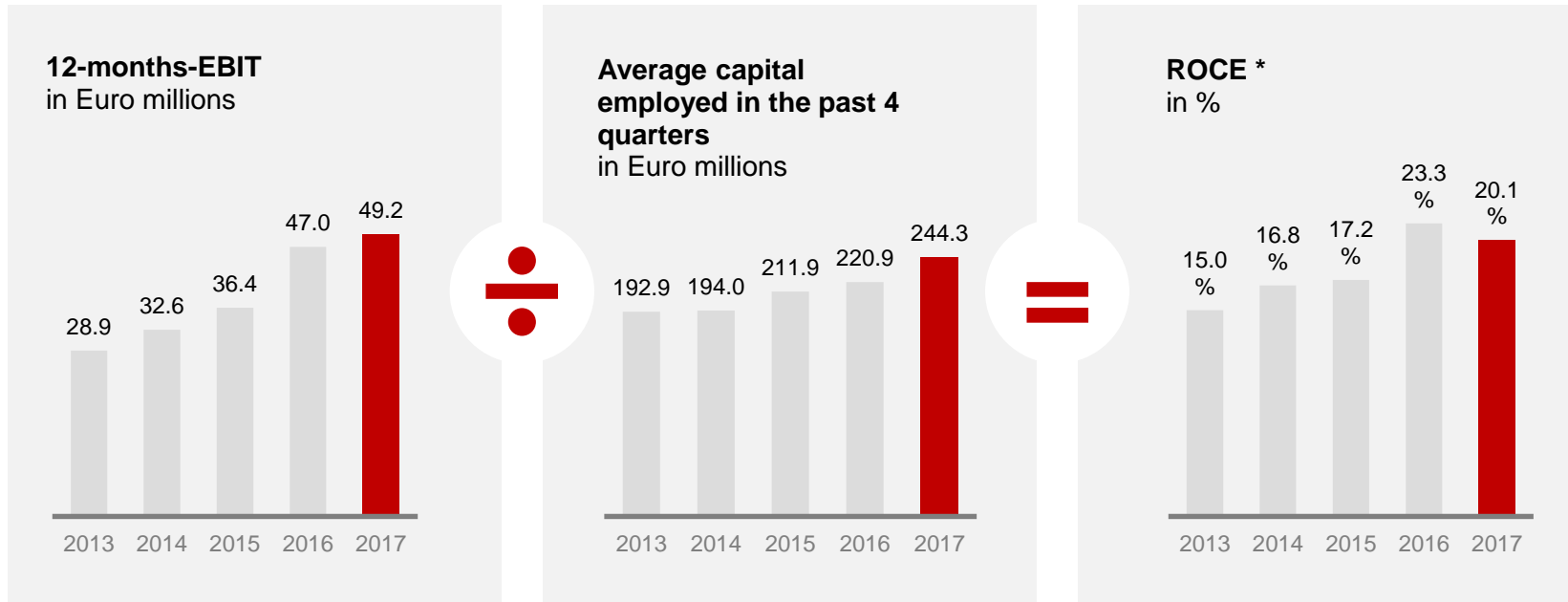
Free Cash Flow



Rounding differences might occur.

- ▶ **Early (pre-)payments by retail partners in the previous year and higher tax payments in 2017 reduced the operating cash flow**
- ▶ **Investment in Saxopark Dresden increases cash outflow from investing activities**
- ▶ **Free cash flow declined accordingly to 2.2 million euros**

ROCE



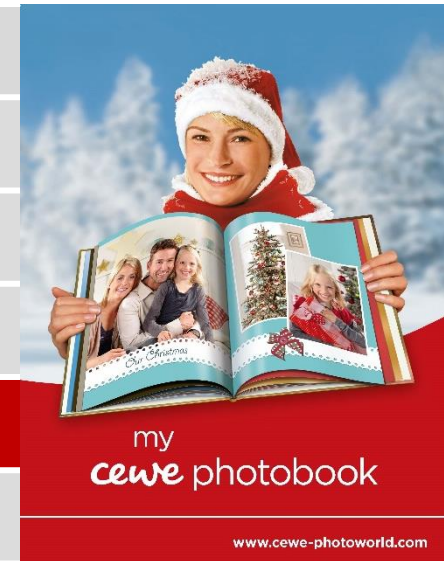
- ▶ **Strong ROCE of 20.1%**
- ▶ **Acquisition of the Saxopark increases average capital employed, therefore ROCE is slightly reduced**

* Return On Capital Employed
** Weighted Average Cost of Capital

Rounding differences might occur.

Agenda

1. In a nutshell
2. Corporate Development
3. Sustainability
4. Annual results 2017
- 5. Results Q3 2018**
6. Share



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

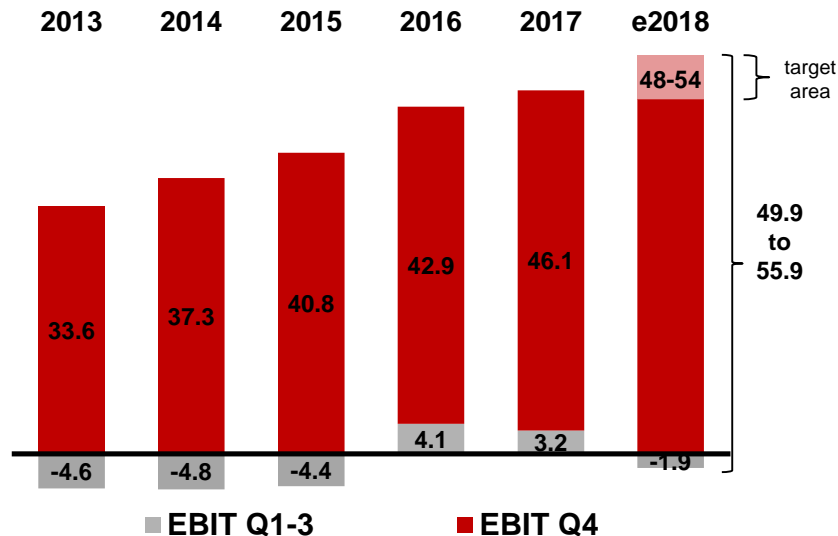
Highlights Q3 2018		Q3 2017	Q3 2018	Comment
Photofinishing				
Sales Volume	in photo m.	531.7	513.7	<ul style="list-style-type: none"> At 3.4% lower than PY, volume follows seasonal shift and is in line with annual target Additional sales through Cheerz One-time items: PPA-effect (DeinDesign), sale of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

Rounding differences might occur.

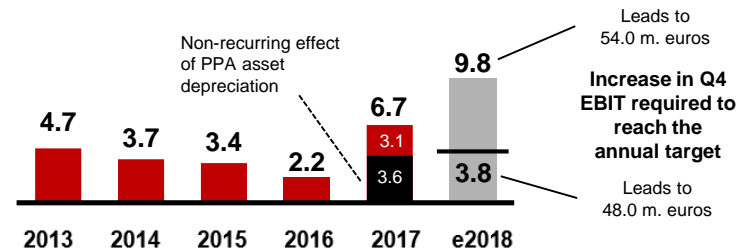
> Q3 confirms the annual targets for 2018

EBIT CEWE Group

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



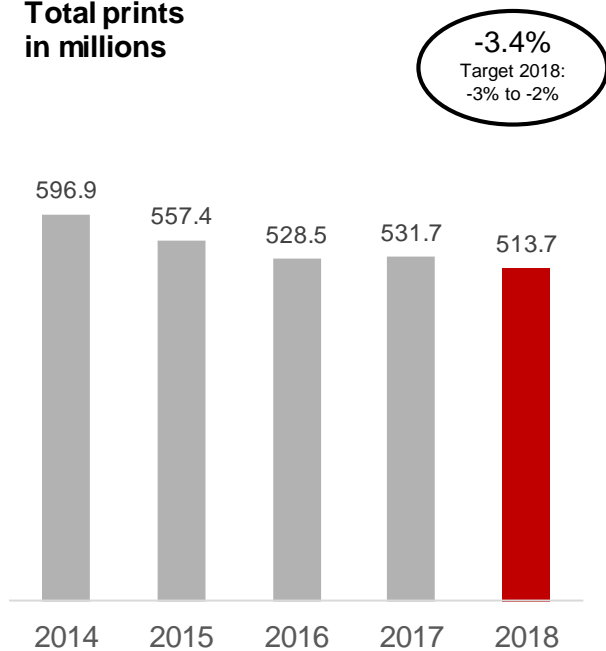
EBIT increase in Q4
in euro millions



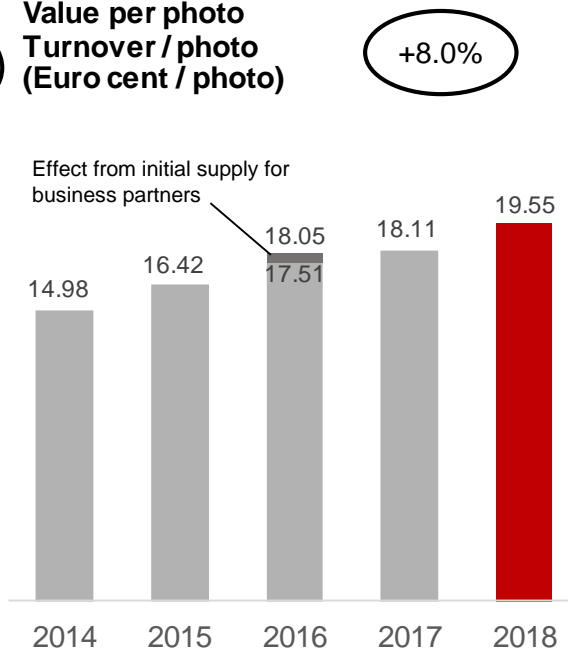
- > Q4 EBIT must again increase by 3.8 million euros to reach the EBIT annual target corridor
- > Extraordinary depreciation of PPA-assets will not occur again and should already contribute 3.6 million euros

Number of prints and turnover Photofinishing Q3

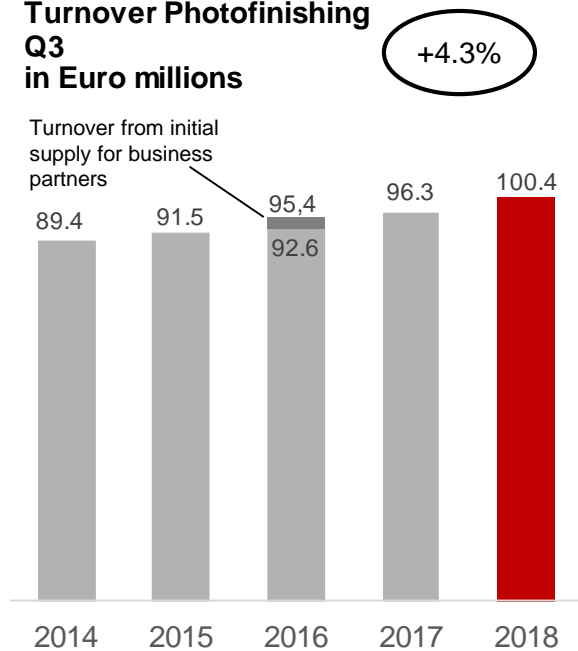
Total prints in millions



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



Turnover Photofinishing Q3 in Euro millions

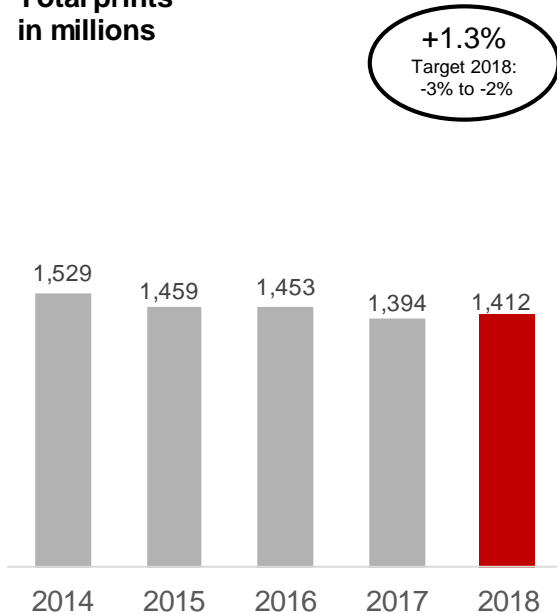


Rounding differences may occur.

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

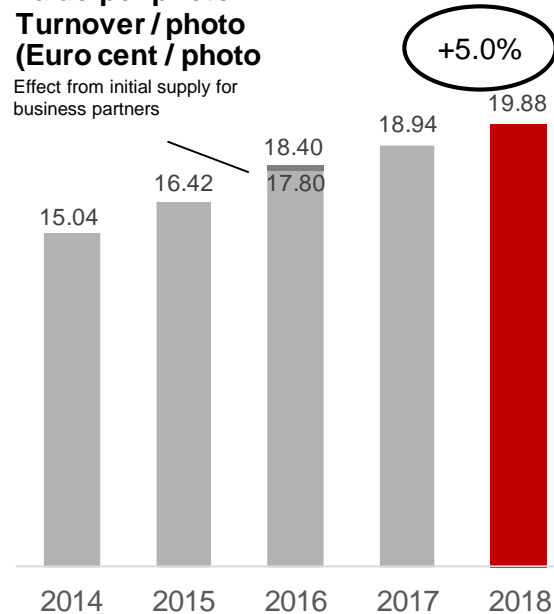
Number of prints and turnover Photofinishing Q1-Q3

**Total prints
in millions**



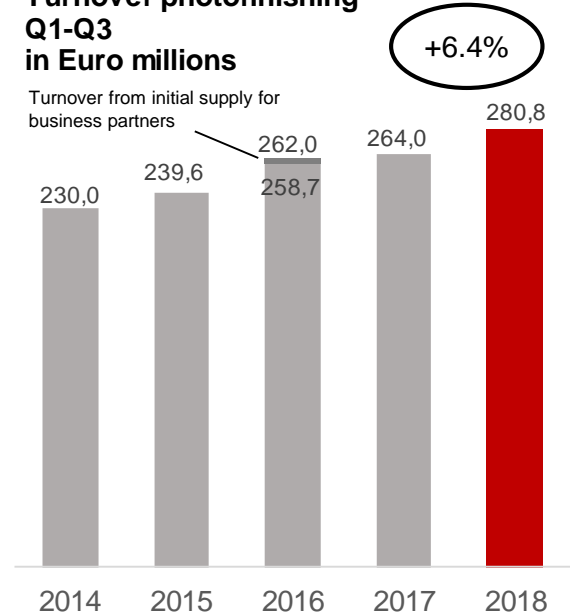
**Value per photo
Turnover / photo
(Euro cent / photo)**

Effect from initial supply for
business partners



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

Turnover from initial supply for
business partners

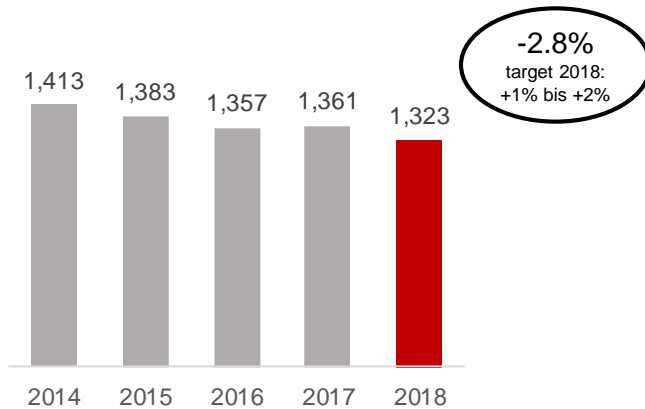


Rounding differences may occur.

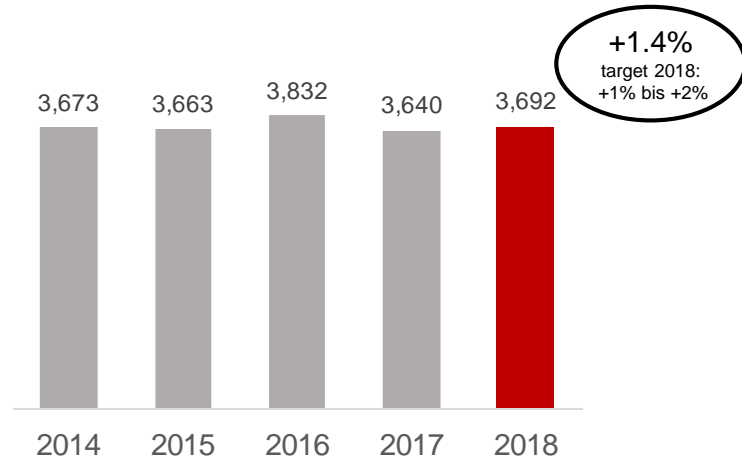
- > Volume development exceeds expected range
- > Rising share of value-added-products increases turnover per photo

CEWE PHOTOBOOK

Number of CEWE PHOTOBOOKS Q3
in thousands



Number of CEWE PHOTOBOOKS Q1-Q3
in thousands

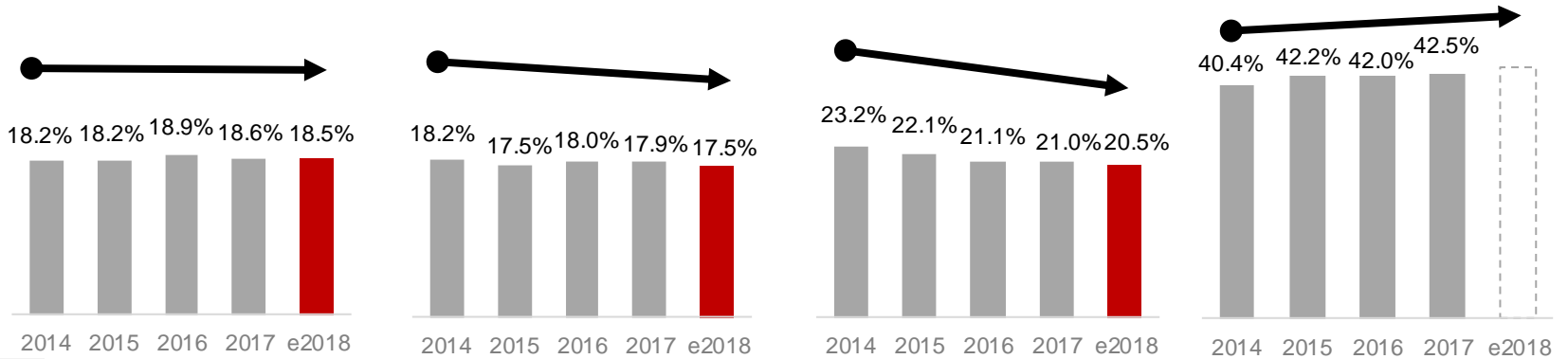


Rounding differences may occur.

- 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

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.

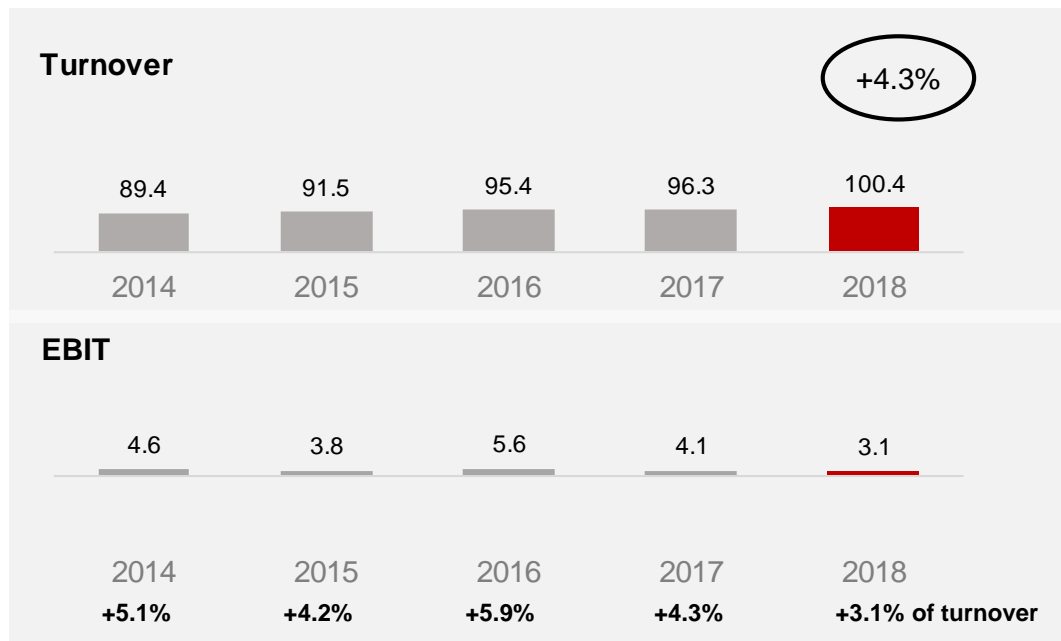
Q3 Actual
100.4 Euro mill. ✓

* Photofinishing 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.

➤ **Photofinishing sales Q3 in the expected range**

Business segment Photofinishing Q3

in Euro millions



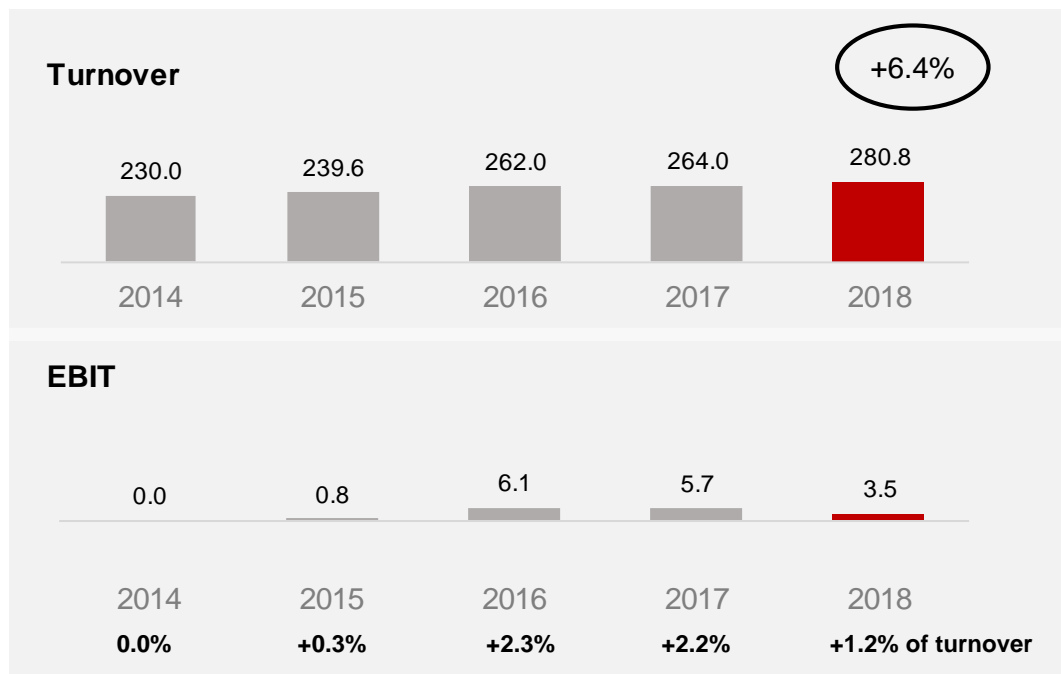
- Cheerz acquisition sees Q3 growth
- Ongoing seasonal shift and warm weather conditions until the end of September do not encourage consumers to place orders: Slight decline organically
- Anticipated shift in seasonality also diminishes EBIT contributions
- Q3 2018 extraordinary effects: -0.2 million 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

Rounding differences may occur.

➤ **Photofinishing grows through Cheerz acquisition**

Business segment Photofinishing Q1-Q3

in Euro millions



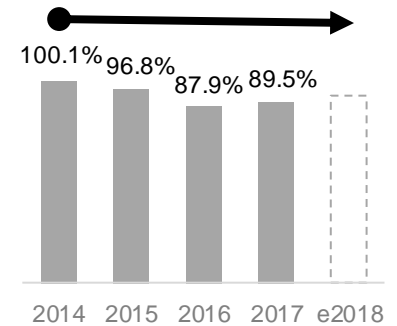
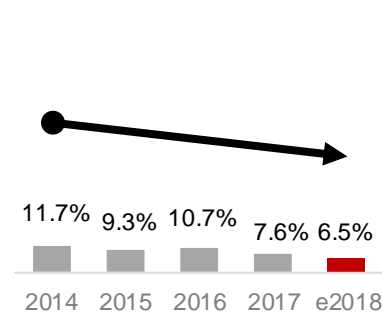
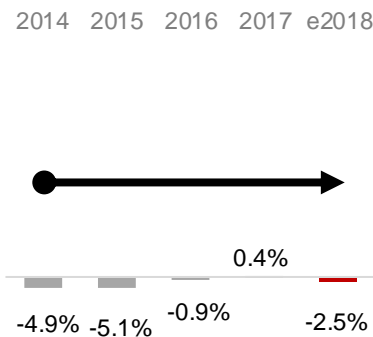
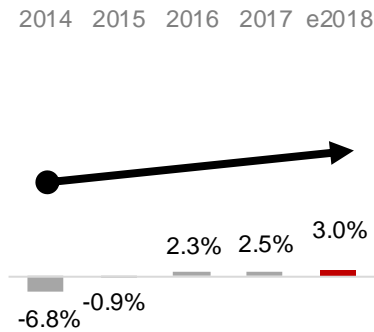
- Q1-3 grows organically and through the Cheerz acquisition
- Q1 with excellent organic growth more than compensates for slight organic declines in turnover in Q2 and in Q3
- EBIT before one-off effects amounts to 3.9 million euros (previous year before one-off effects: 5.5 million euros)
- Anticipated 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 million 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

Rounding differences may occur.

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

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. ✓

Q3 Target
+ 3.05 - +3.4 Euro
mill.

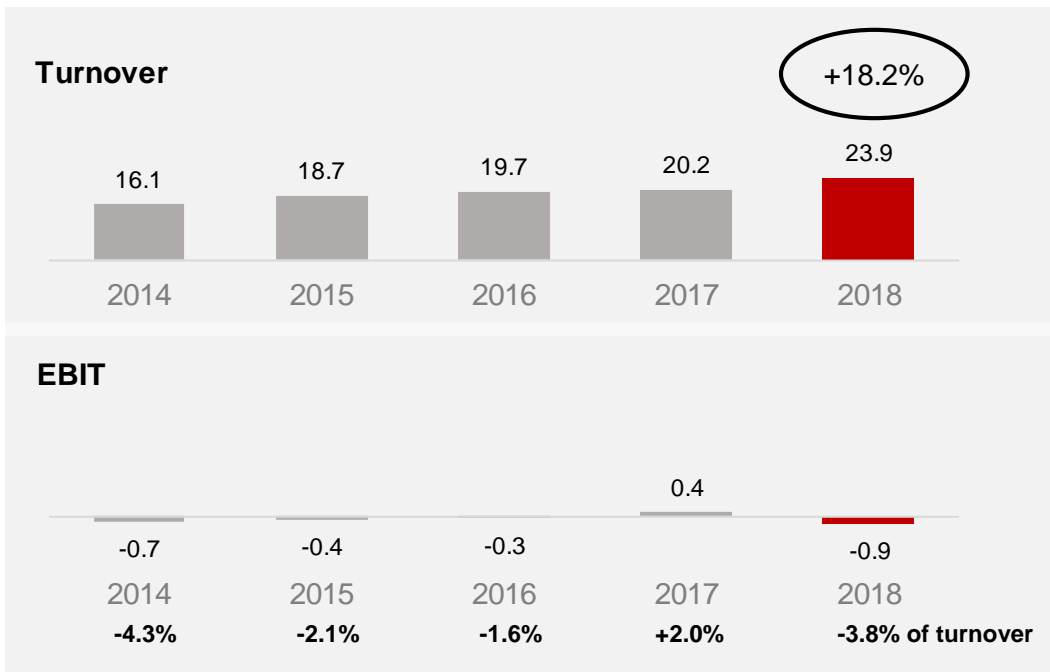
Q3 Actual
+3.1 Euro mill. ✓

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

➤ **Photofinishing EBIT within expected range**

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)

Rounding differences may occur.

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

Business segment Commercial Online-Print Q1-Q3

in Euro millions



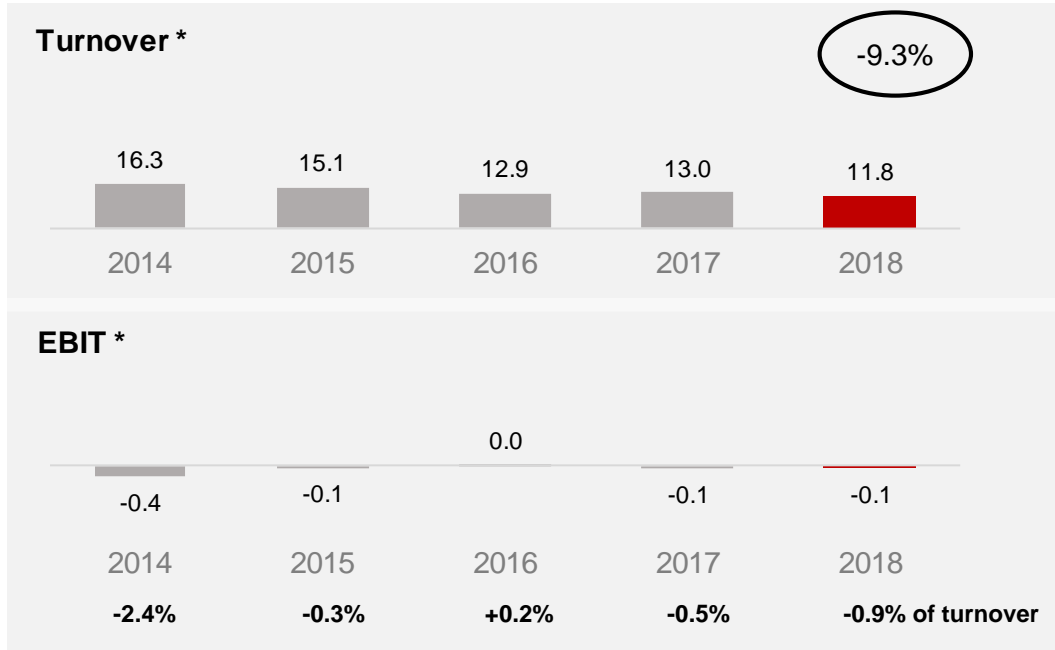
- More than anything else, it is the LASERLINE acquisition that sees turnover in the first three quarters rise, slight organic growth
- Price pressure in Germany continues to restrain stronger growth
- UK business remains weakened by Brexit
- EBIT absorbs 0.8 million euros integration costs from LASERLINE
- 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)

- **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**

Rounding differences may occur.

Business segment Retail* Q3

in Euro millions



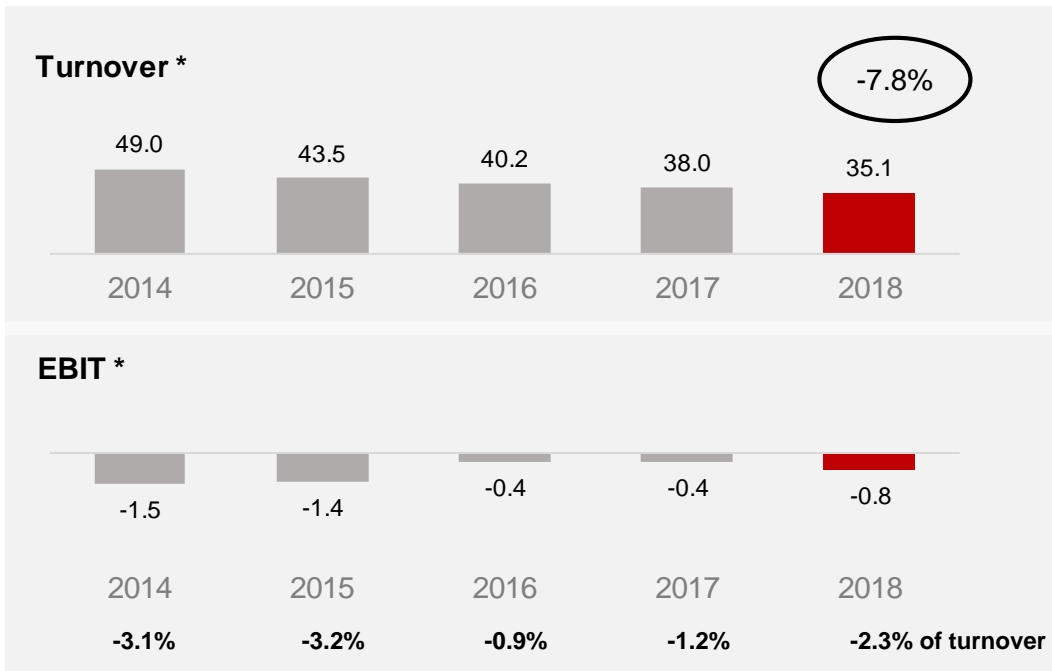
- Focus on photofinishing products (reported in the photofinishing business segment) continues to reduce hardware sales
- Also optimised price strategy for reinforcing photo hardware margins involving a conscious relinquishment of low-margin sales and let sales continue to shrink
- "Wait-and-see" effects 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



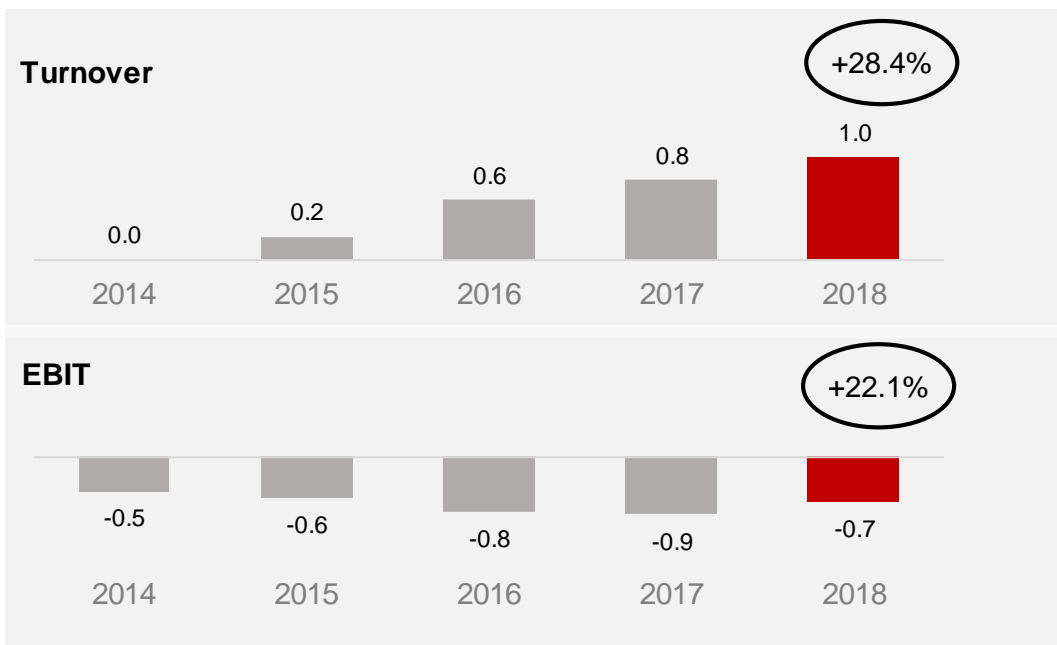
- Focus on photofinishing products (reported in the photofinishing business segment) reduces hardware sales (e.g. in Sweden no longer any hardware in CEWE stores)
- Also optimised price strategy for reinforcing photo hardware margins involving a conscious relinquishment of low-margin sales and let sales 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

Business segment Other Q3

in Euro millions



Rounding differences may occur.

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

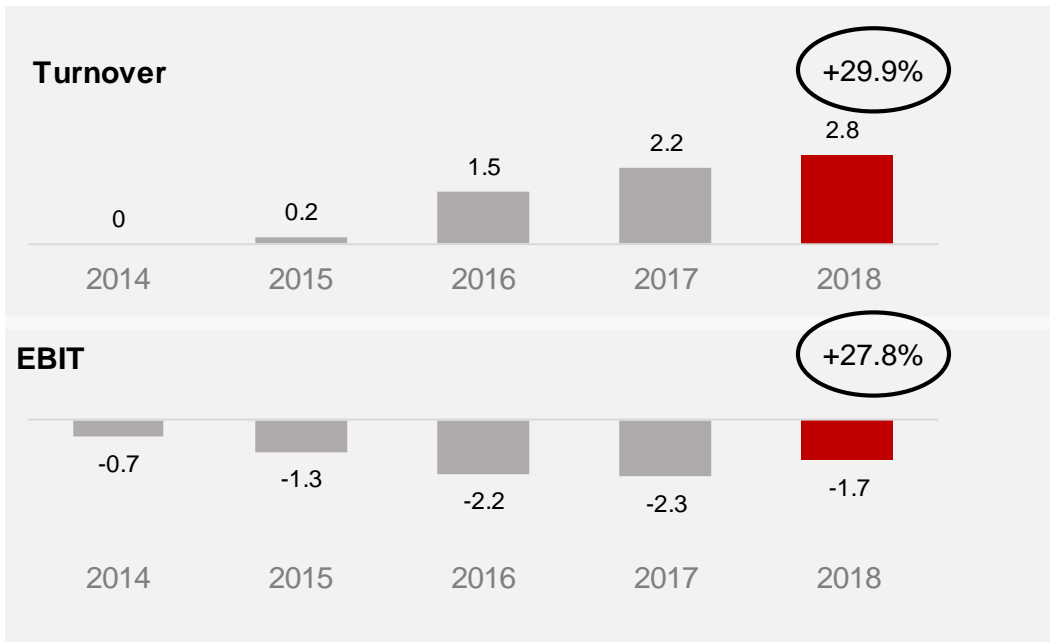
Since August 2015 (date of initial consolidation), futalis has been reported in this business segment since the business activities cannot be allocated to the other business segments.

- 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**

Business segment Other Q1-Q3

in Euro millions



Rounding differences may occur.

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.

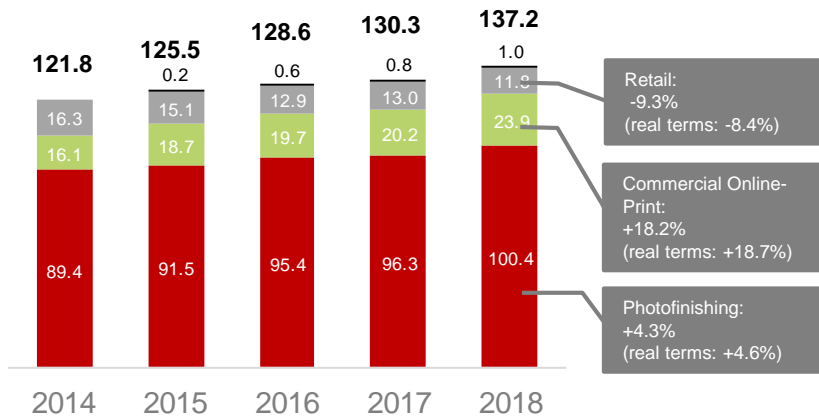
- The 2.8 million euros reported in turnover is to be exclusively allocated to futalis (Q1-3 2017: 2.2 million euros)
- EBIT improved also through rental income of „Saxopark“-property in Dresden

➤ **Business segment other increases turnover and improves earnings**

Turnover

Q3 in euro millions

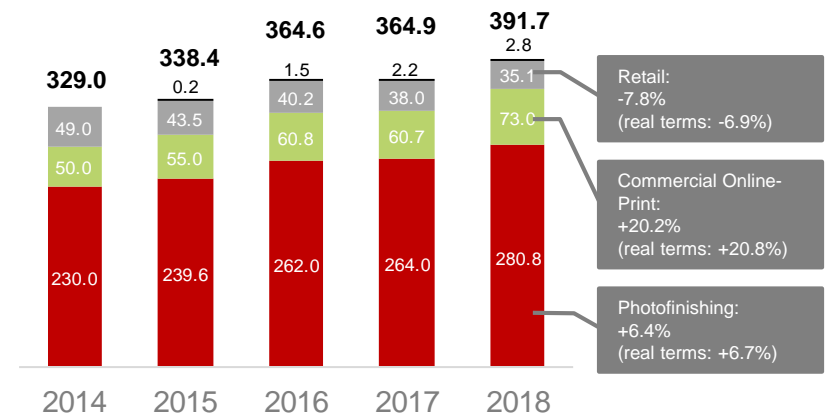
+5.3%
Real terms:
+5.6%



■ Photofinishing ■ Commercial Online-Print ■ Retail ■ Other

Q1-Q3 in euro millions

+7.3%
Real terms:
+7.7%



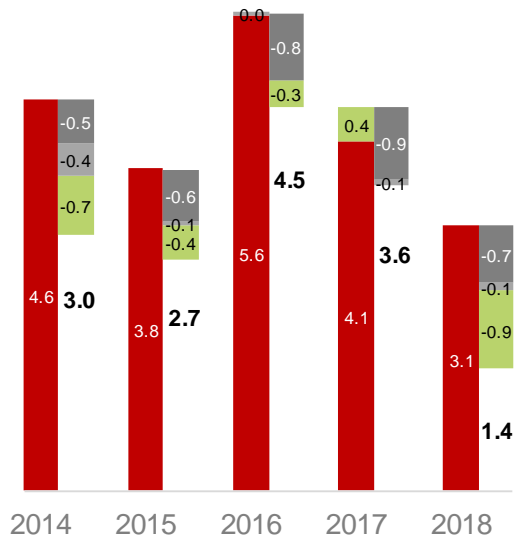
■ Photofinishing ■ Commercial Online-Print ■ Retail ■ Other

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

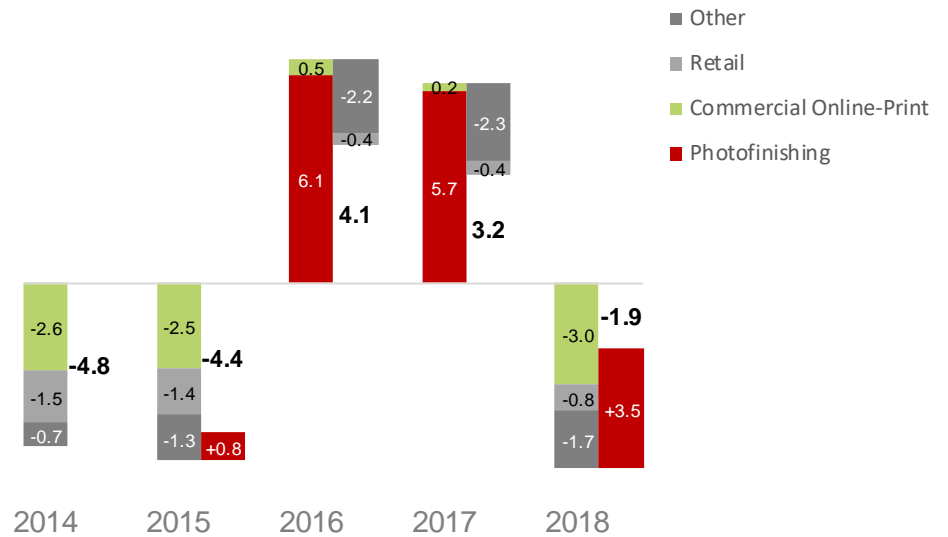
➤ **Business segments of photofinishing and commercial online printing account for growth in Group turnover in Q3 and Q1-Q3**

EBIT

EBIT Q3
Euro millions



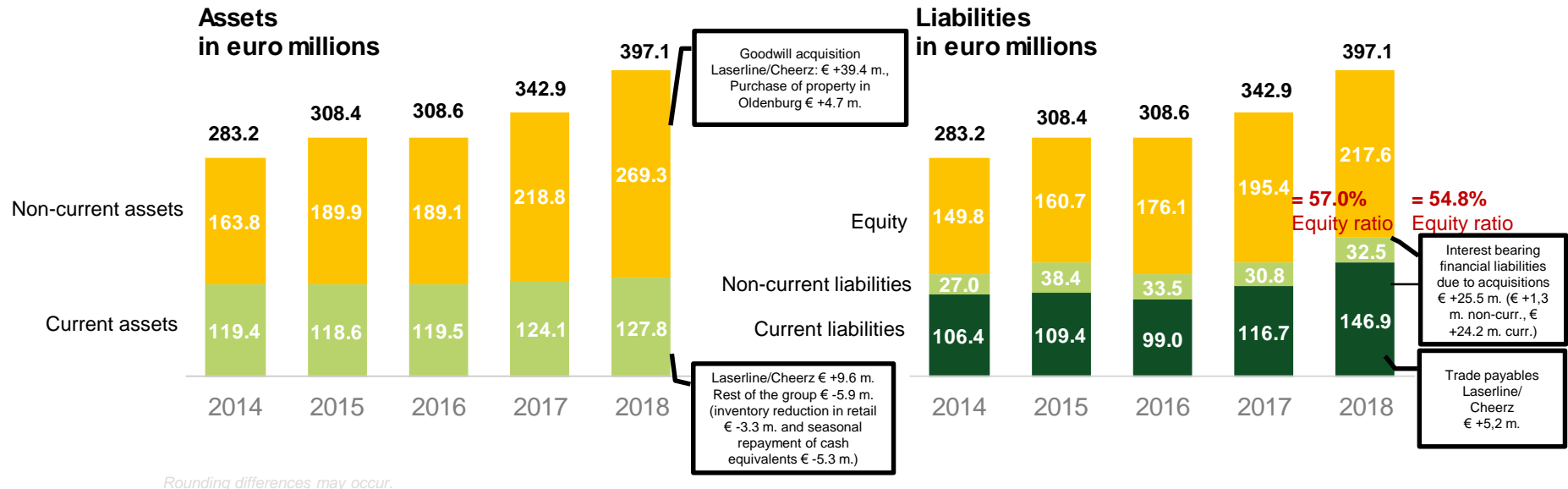
EBIT Q1-Q3
in euro millions



Rounding differences may occur.

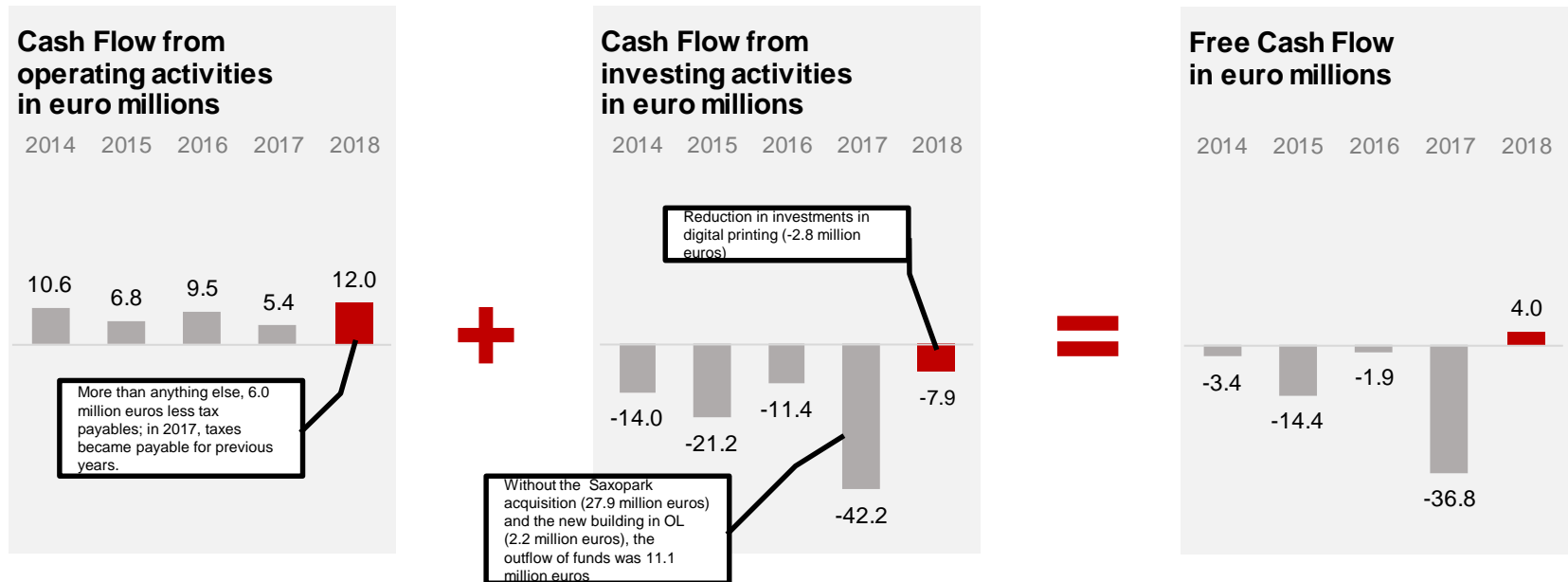
➤ **Group EBIT esp. due to acquisitions in Q3 below previous year**

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

Free-Cash Flow Q3

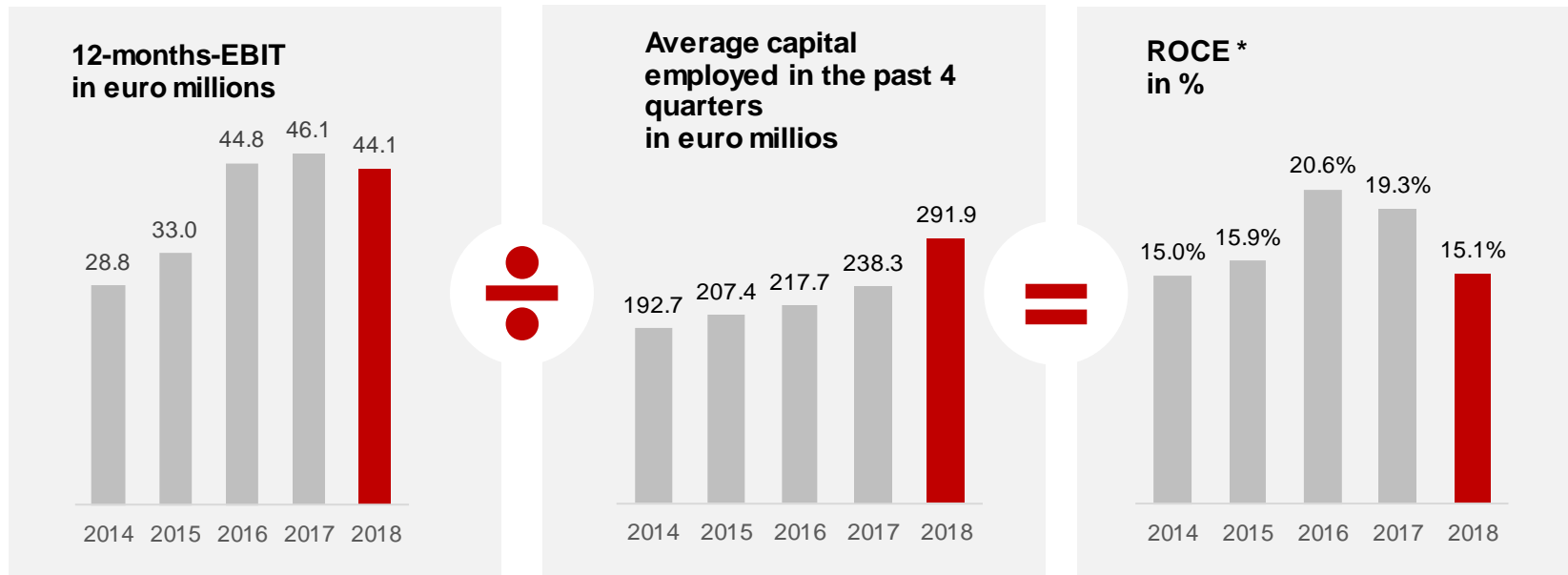


Rounding differences may occur.

- 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

ROCE

as of September 30

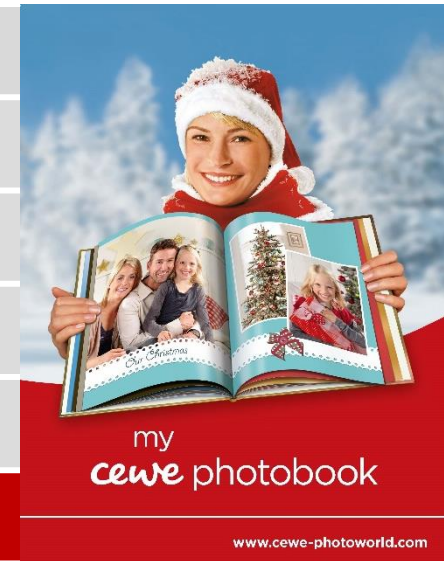


*ROCE = EBIT / \div Capital Employed
Rounding differences might occur.*

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

Agenda

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4. Annual results 2017
5. Results Q3 2018
- 6. Share**



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

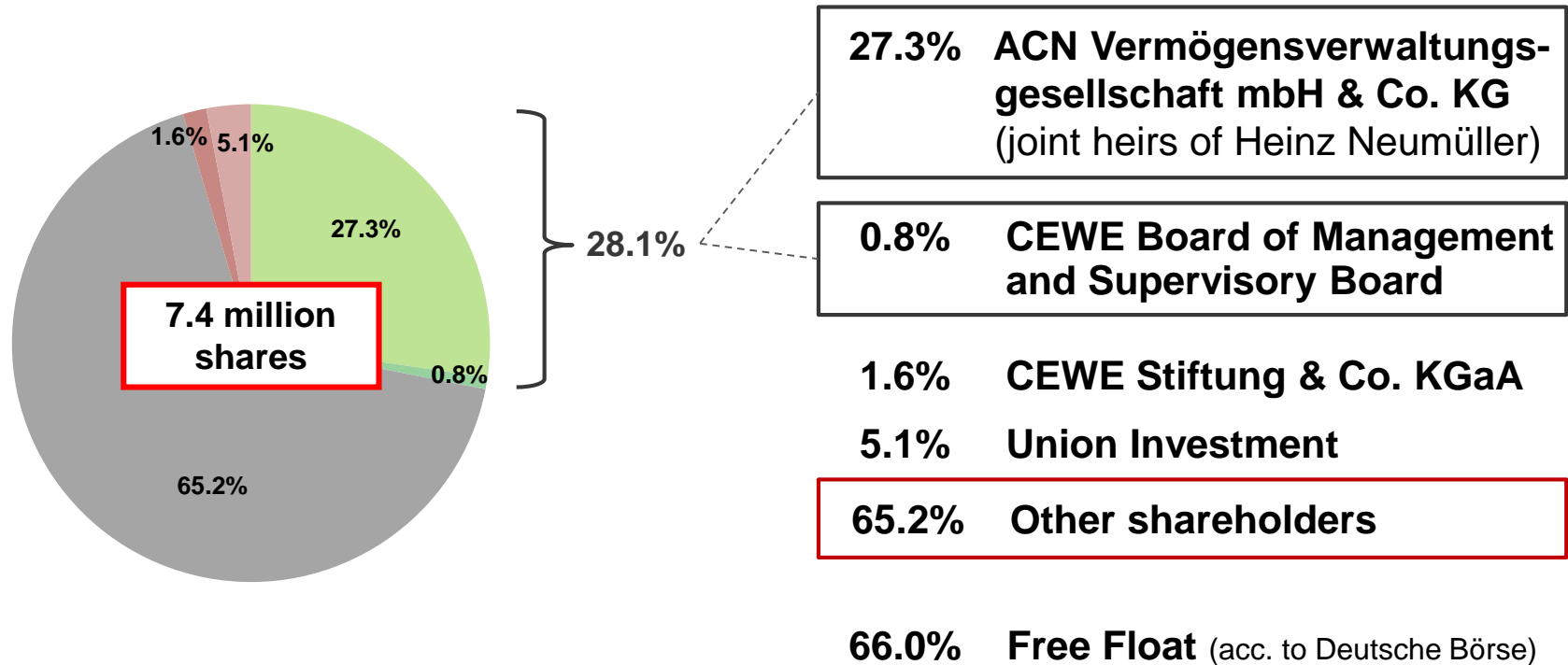


Analysts



► **Broad analyst coverage**

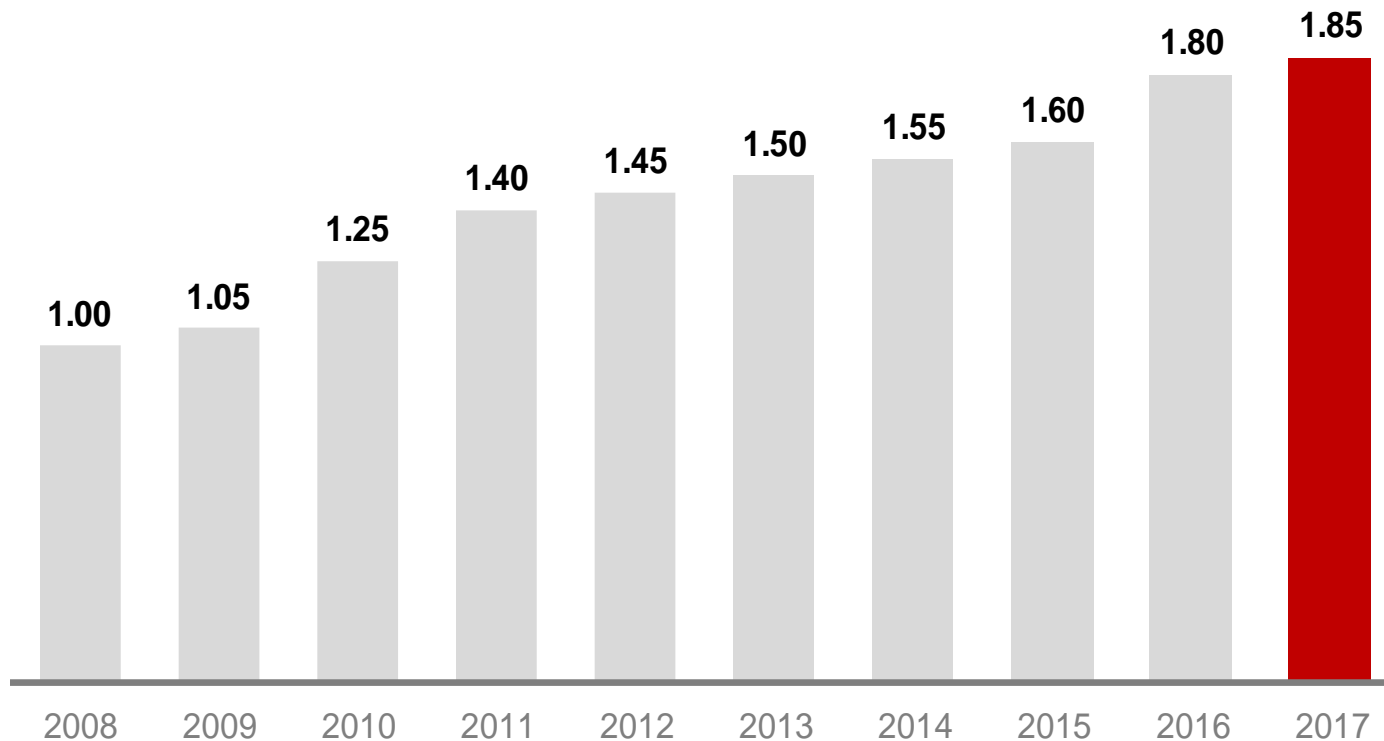
Shareholder structure



- ▶ Joint heirs of company founder are the main shareholders in CEWE
- ▶ 28.1% of the shares are present in the Supervisory Board and the Board of Management

Dividend

in Euro



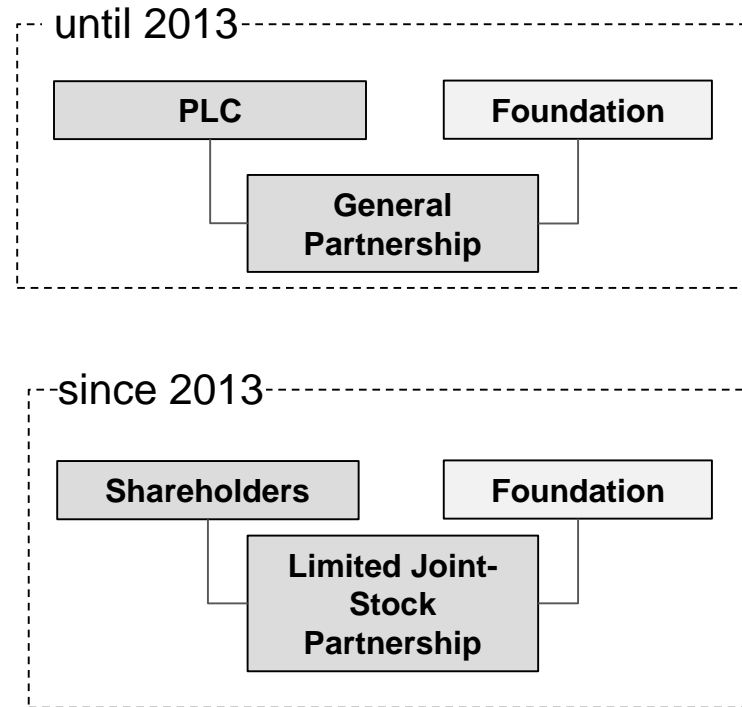
- ▶ Dividend for the 2017 business year increased to 1.85 euros
- ▶ Since analogue/digital transformation: ninth consecutive dividend increase

Harmonious Transformation to a Limited Joint-Stock Partnership

Public limited company/ stock corporation

is and remains

- ... a gateway to capital markets
- ... the advocate of a permanent focus on returns on capital employed and on profitability



Foundation

is and remains

- ... the managing body (in accordance with the intention of the founder)
- ... the advocate of a long-term mindset

- ▶ **Effective cooperation between shareholders and the foundation is continued as before – but as a new, ultimately beneficial legal form in terms of taxes**

Dr. Christian Friege: CEO as of 1 July 2017



Professional training and career

1993	MBA, Mannheim University
1995	Dr. rer. pol., University of Eichstätt/Ingolstadt
1995 to 2004	Bertelsmann AG, including 1998 to 2000 Member of Doubleday Direct Management, Garden City, NY, USA and 2000 to 2004 Managing Director, British Book Club in London, UK
2005 to 2006	Member of the Board of Management of debitel AG, Stuttgart
2008 to 2012	Chairman of the Board of Management of LichtBlick AG, Hamburg
2012 to 2015	Independent Management Consultant
since 2015	CEWE Stiftung & Co. KGaA
since 2016	Member of the Board of Management of the Neumüller CEWE COLOR Foundation
as of 1 July 2017	Chairman of the Board of Management of the Neumüller CEWE COLOR Foundation

MULTI-YEAR OVERVIEW

Consolidated profit and loss account for the year

<i>Figures in millions of euros</i>	2010	2011	2012	2013	2014	2015	2016	2017
Revenues	446.8	469.0	507.2	536.2	523.8	554.2	593.1	599.4
Increase / decrease in finished and unfinished goods	0.0	0.0	0.1	0.3	0.2	0.4	-0.5	0.1
Other own work capitalised	1.5	0.9	1.1	1.0	0.9	0.9	0.8	0.9
Other operating income	24.9	23.1	29.7	24.6	21.4	19.6	20.8	23.2
Cost of materials	-168.7	-173.6	-185.6	-190.0	-162.7	-162.2	-168.6	-168.4
Gross profit	304.5	319.5	352.4	372.2	383.6	412.8	445.6	455.1
Personnel expenses	-100.6	-108.5	-122.4	-129.9	-135.9	-143.7	-153.4	-160.3
Other operating expenses	-139.0	-148.1	-164.7	-175.4	-181.7	-194.0	-201.9	-205.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	64.9	62.9	65.3	66.8	66.0	75.1	90.3	89.3
Amortisation of intangible assets, depreciation of property, plant and equipment	-37.7	-33.5	-37.0	-37.9	-33.5	-38.7	-43.3	-40.1
Earnings before interest and taxes (EBIT)*	27.2	29.4	28.3	28.9	32.6	36.4	47.0	49.2
Financial income	-	-	-	0.3	0.4	0.4	0.9	0.5
Financial expenses	-	-	-	-2.2	-1.4	-0.9	-1.7	-0.8
Financial result	-1.8	-1.0	-2.2	-1.9	-1.0	-0.5	-0.8	-0.3
Earnings before taxes (EBT)	25.4	28.4	26.1	27.1	31.5	35.9	46.2	48.9
Income taxes	-11.7	-9.8	-7.3	-4.8	-10.1	-13.5	-15.8	-15.3
Earnings after taxes	13.7	18.6	18.8	22.3	21.4	22.5	30.4	33.6

Cash flow for the year

<i>Figures in millions of euros</i>	2010	2011	2012	2013	2014	2015	2016	2017
Cash flow from operating activities	53.0	61.4	51.4	48.3	71.2	59.6	93.0	72.4
Cash flow from investing activities	-27.3	-31.0	-45.8	-35.1	-43.1	-55.2	-46.6	-70.2
Free cash flow	25.6	30.4	5.5	13.1	28.1	4.4	46.4	2.2
Cash flow from financing activities	-10.8	-22.7	-23.2	-12.3	-14.5	-10.3	-19.8	-11.7
Change in cash and cash equivalents	14.8	7.7	-17.7	0.8	13.6	-5.9	26.7	-9.5

MULTI-YEAR OVERVIEW

Group balance sheet

ASSETS

<i>Figures in millions of euros</i>	2010	2011	2012	2013	2014	2015	2016	2017
Property, plant and equipment	80.5	79.2	101.2	98.6	102.5	108.6	124.5	148.1
Investment properties	4.8	4.8	4.5	4.3	5.0	5.1	4.9	17.9
Goodwill	9.1	9.1	28.5	25.4	25.4	32.7	25.8	25.8
Intangible assets	16.3	13.0	21.8	20.0	19.3	23.6	19.2	14.1
Financial assets	0.2	0.2	0.3	1.2	3.3	4.3	6.2	6.8
Non-current receivables from income tax refunds	2.9	2.6	2.1	1.6	1.1	0.5	0.0	0.0
Non-current receivables and assets	0.3	0.3	0.4	1.5	2.9	1.6	0.5	0.4
Non-current financial assets	0.1	0.3	0.2	0.2	0.2	0.4	0.6	0.6
Additional other non-current receivables and assets	5.4	5.4	8.4	9.4	8.1	7.3	6.8	7.8
Deferred tax assets	119.5	114.9	167.5	162.0	167.8	184.1	188.6	221.5
Non-current assets	50.3	48.0	62.7	59.1	48.9	50.7	49.4	50.3
Inventories	72.0	77.9	72.2	88.8	84.3	90.4	84.2	84.5
Current trade receivables	1.2	1.0	1.6	2.1	1.8	1.1	1.3	1.5
Current receivables from income tax refunds	17.3	13.5	3.2	3.0	3.0	2.5	3.0	2.4
Current financial assets	3.7	4.1	4.7	3.8	4.9	5.7	5.5	5.6
Additional other current receivables and assets	23.4	30.8	13.4	14.0	27.7	21.7	48.6	38.8
Cash and cash equivalents	167.8	175.2	157.7	170.8	170.5	172.1	191.9	183.1
Assets held for sale	0.2	0.2	0.2	1.0	1.3	1.2	0.5	1.4
Current assets	168.0	175.4	157.9	171.8	171.9	173.3	192.4	184.5
	287.5	290.3	325.4	333.9	339.7	357.3	381.0	406.1

MULTI-YEAR OVERVIEW

Group balance sheet

EQUITY AND LIABILITIES

<i>Figures in millions of euros</i>	2010	2011	2012	2013	2014	2015	2016	2017
Subscribed capital	19.2	19.2	19.2	19.2	19.2	19.2	19.2	19.2
Capital reserve	56.2	56.2	56.2	56.6	69.3	70.2	71.2	73.1
Treasury shares at acquisition cost	-17.6	-24.4	-23.9	-23.4	-8.5	-7.5	-8.5	-7.9
Retained earnings and unappropriated profits	62.9	69.3	80.7	90.3	93.6	104.9	122.9	142.8
Equity	120.7	120.2	132.2	142.8	173.6	187.0	204.9	227.2
Non-current special items for investment grants	0.4	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Non-current accruals for pensions	10.0	12.6	17.4	17.9	21.9	22.9	25.5	27.2
Non-current deferred tax liabilities	1.8	0.6	4.1	3.3	2.8	4.1	2.9	1.5
Non-current other accruals	0.9	0.8	0.5	0.4	0.2	0.2	0.0	0.0
Non-current interest-bearing financial liabilities	24.1	16.7	23.5	4.2	2.7	1.8	0.0	0.0
Non-current financial liabilities	0.0	0.0	4.2	3.0	0.0	0.0	0.2	0.1
Non-current other liabilities	0.2	0.3	0.3	0.2	0.2	0.5	0.5	0.5
Non-current liabilities	37.4	31.3	50.0	29.0	27.8	29.5	29.1	29.4
Current special items for investment grants	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Current tax liabilities	4.7	5.6	3.0	4.2	4.5	7.1	11.3	3.9
Current other accruals	8.6	4.7	2.6	4.2	3.3	2.9	3.5	3.5
Current interest-bearing financial liabilities	6.6	7.4	8.0	26.1	1.6	4.9	0.2	1.6
Current trade payables	91.8	98.3	102.2	101.1	96.1	90.9	96.1	95.9
Current financial liabilities	1.3	1.1	4.5	3.9	3.6	0.3	1.5	1.3
Current other liabilities	16.3	21.6	22.9	22.7	29.2	34.7	34.5	43.3
Current liabilities	129.4	138.7	143.2	162.1	138.2	140.9	147.0	149.5
	287.5	290.3	325.4	333.9	339.7	357.3	381.0	406.1

MULTI-YEAR OVERVIEW

Key indicators

Volumes and employees

		2010	2011	2012	2013	2014	2015	2016	2017
Digital photos	<i>millions of units</i>	2,129.1	2,246.1	2,298.9	2,252.9	2,203.9	2,164.1	2,176.2	2,128.1
Photos from film	<i>millions of units</i>	367.7	251.3	162.3	114.4	88.6	70.7	56.0	47.0
Total volume of photos	<i>millions of units</i>	2,497	2,497	2,461	2,367	2,293	2,235	2,232	2,175
CEWE PHOTOBOOKS	<i>millions of units</i>	4.3	5.1	5.6	5.8	5.9	6.0	6.2	6.0
Employees (average)	<i>converted to full-time equivalent</i>	2,681	2,823	3,305	3,228	3,219	3,420	3,496	3,589
Employees (as of the reporting date)	<i>converted to full-time equivalent</i>	2,910	3,400	3,895	3,781	3,675	3,698	3,967	4,103

Income

		2010	2011	2012	2013	2014	2015	2016	2017
Turnover	<i>millions of euros</i>	446.8	469.0	507.2	536.2	523.8	554.2	593.1	599.4
EBITDA	<i>millions of euros</i>	65.9	63.6	66.1	66.8	66.0	75.1	90.3	89.3
EBITDA margin	<i>as % of turnover</i>	14.7%	13.6%	13.0%	12.5%	12.6%	13.6%	15.2%	14.9%
EBIT	<i>millions of euros</i>	28.2	30.1	29.1	29.7	32.6	36.4	47.0	49.2
EBIT margin	<i>as % of turnover</i>	6.3%	6.4%	5.7%	5.5%	6.2%	6.6%	7.9%	8.2%
Restructuring expenses	<i>millions of euros</i>	2.2	0.0	0.0	3.3	0.0	1.0	0.2	0.0
EBIT prior to restructuring	<i>millions of euros</i>	30.4	30.1	29.1	33.0	32.6	37.4	47.2	49.2
EBT	<i>millions of euros</i>	26.4	29.2	26.9	27.8	31.5	35.9	46.2	48.9
Earnings after taxes	<i>in million euros</i>	13.7	18.6	18.8	22.3	21.4	22.5	30.4	33.6

Capital

		2010	2011	2012	2013	2014	2015	2016	2017
Total assets	<i>millions of euros</i>	287.5	290.3	325.4	333.9	339.7	357.3	381.0	406.1
Capital employed (CE)	<i>millions of euros</i>	164.8	159.1	190.3	197.9	203.0	221.3	234.2	258.2
Equity	<i>millions of euros</i>	120.7	120.2	132.2	142.8	173.6	187.0	204.9	227.2
Equity ratio	<i>as % of the balance sheet total</i>	42.0%	41.4%	40.6%	42.8%	51.1%	52.3%	53.8%	56.0%
Net financial liabilities	<i>in million euros</i>	7.4	-6.7	18.1	16.3	-23.5	-15.0	-48.3	-37.2
ROCE (previous 12 months)	<i>as % of average capital employed</i>	17.7%	19.3%	14.5%	15.0%	16.8%	17.2%	21.3%	20.1%

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.

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