



Results Q2/H1 2023

Analyst Conference Call

CEWE Stiftung & Co. KGaA
August 11, 2023

cewe

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 differences might occur.



Yvonne Rostock
CEO

Dr. Olaf Holzkämper
CFO



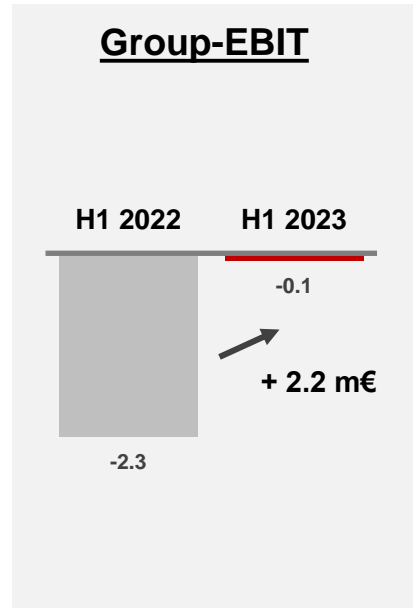
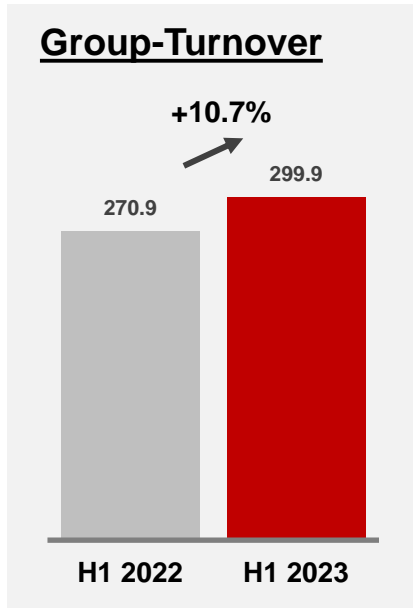
Agenda

- (1) Corporate Development & Business Segments
- (2) Group Results
- (3) Financial Details
- (4) Outlook
- (5) Q&A-Session



Turnover and earnings increased in H1: 2023 targets confirmed

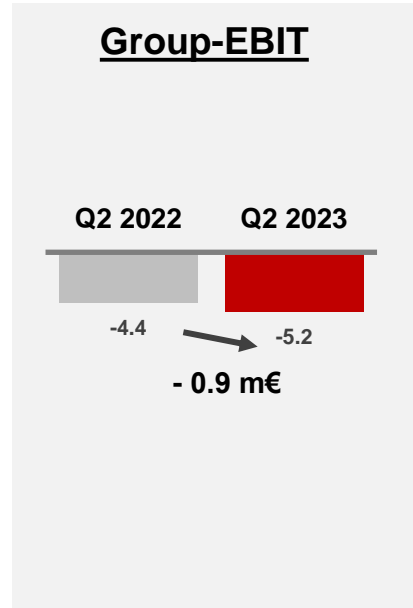
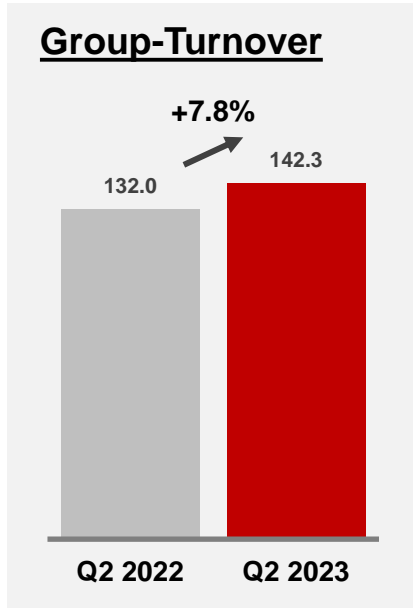
in Euro millions



- **Group turnover** increases significantly by 10.7% to **299.9 million euros** (H1 2022: 270.9 million euros). **Group EBIT** increases by 2.2 million euros and reaches **-0.1 million euros** (H1 2022: -2.3 million euros).
- Turnover in the **Photofinishing business segment** increases by strong 10.6% to 236.5 million euros, EBIT rises to 1.1 million euros.
- **Commercial Online-Print** continues to grow significantly, achieving a turnover increase of 14.8% to 44.4 million euros. EBIT improves to 0.8 million euros.
- **Hardware Retail** continues to perform well, with turnover up 1.1% to 14.6 million euros and improved EBIT of -0.3 million euros.
- **"Other" business segment** contributes with turnover of 4.5 million euros and EBIT of -1.7 million euros (including a special effect).
- The **targets for 2023** are reaffirmed.

Further increase in turnover and operating profit in Q2

in Euro millions



- **Group turnover** increases by 7.8% to **142.3 million euros** (Q2 2022: 132.0 million euros).
- **Group EBIT** is traditionally negative in Q2 due to seasonality and includes two special effects totaling 1.3 million euros: **-5.2 million euros** (Q2 2022: -4.4 million euros).
- Without these two special effects (-0.5 million euros extraordinary provision for software licenses no longer required and -0.8 million euros write-down of a production machine at futalis) **operating profit increased** by 0.4 million euros **to -4.0 million euros**.

3 Key business segments

	H1 (Q2) 2023 Turnover in m€	Brands	Sites
Commercial Online-Print	299.9 (142.3)* 44.4 (21.8)	  	1 Printing company
Photofinishing	236.5 (110.4)	    	13 Photo labs
Retail	14.6 (7.8)	   	101 Photo retail shops

* incl. 4.5 (2.2) m€ turnover of the business segment „Other“ (futalis)



Catching Some Morning Air | Richard Whitson | Winner CEWE Photo Award 2019

Photofinishing



CEWE Innovation Strength

Awards 2023 for CEWE and WhiteWall



2023
„Best Photo Service
Worldwide“

CEWE PHOTOBOOK
with 100%
recycled paper



2023
„Best Frame Design“

WhiteWall
Design Edition by
Studio Besau-Marguerre



2023
„Best Photo Lab
Worldwide “

WhiteWall
3D Configurator
for wall art

CEWE Innovation Strength

WHITE WALL



Fine Art Print
On Alu-Dibond

Premium Photo Blancet



Organic Case

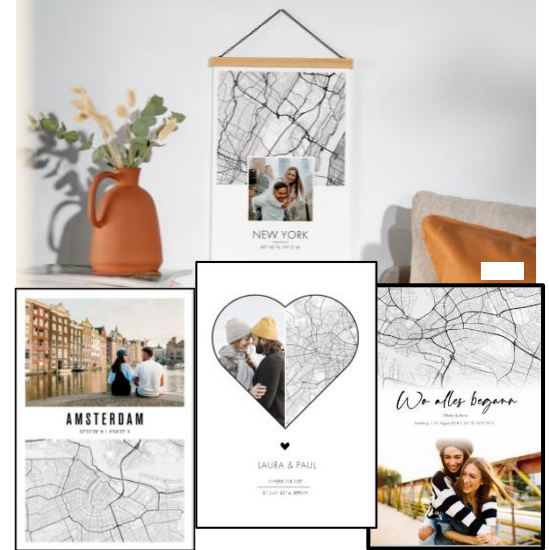
Dein Design:



ZWILLING
Mug



Photo Streetmap Poster



CEWE Innovation Strength

Continious development of our technolgies



CEWE – Our Comittment for photoculture

CEWE Photo Award 2023

The Jury



Michel Comte - superstar of photography

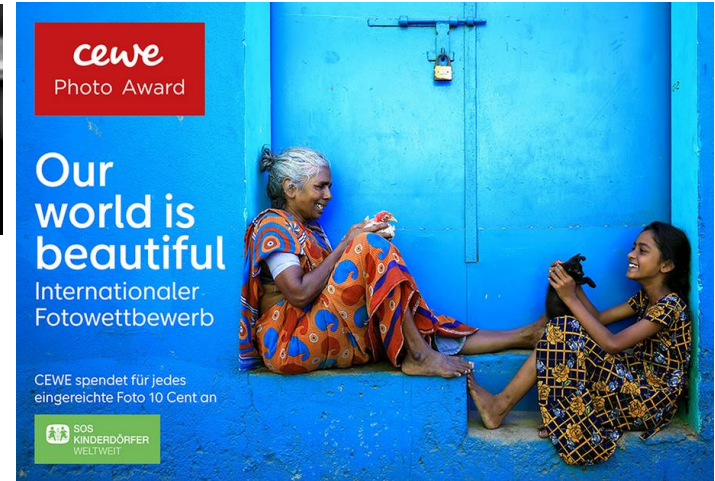
Esther Horvath - nature and expedition photographer

Audun Rikardsen - nature photographer and biology professor

Nora Schweitzer - journalist, photographer and adventurer

Lanna Idriss - Director of SOS Children's Villages Worldwide

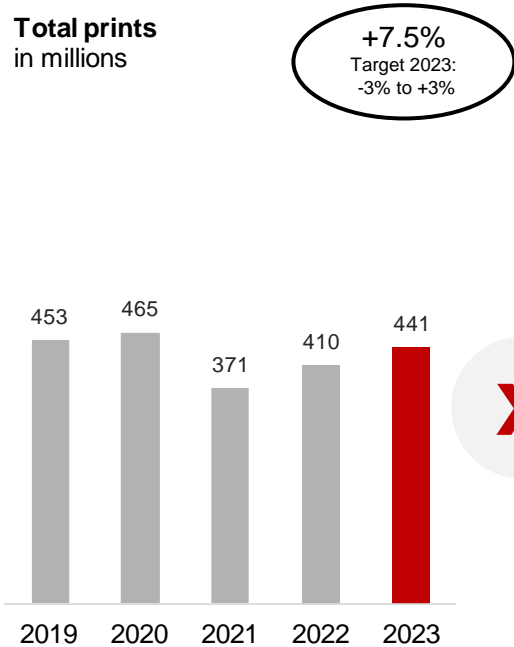
Christie Goodwin - official photographer of the Royal Albert Hall



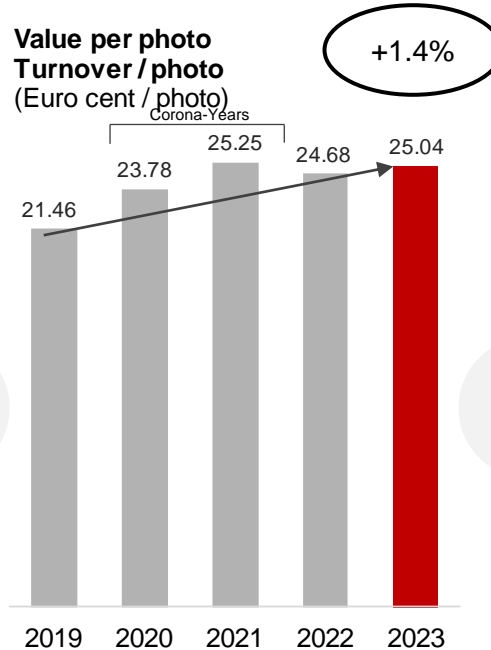
Again, the world's largest photo competition with 500,000 photos sent in

Number of prints and turnover Photofinishing Q2

Total prints
in millions



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



Turnover Photofinishing
in Euro millions

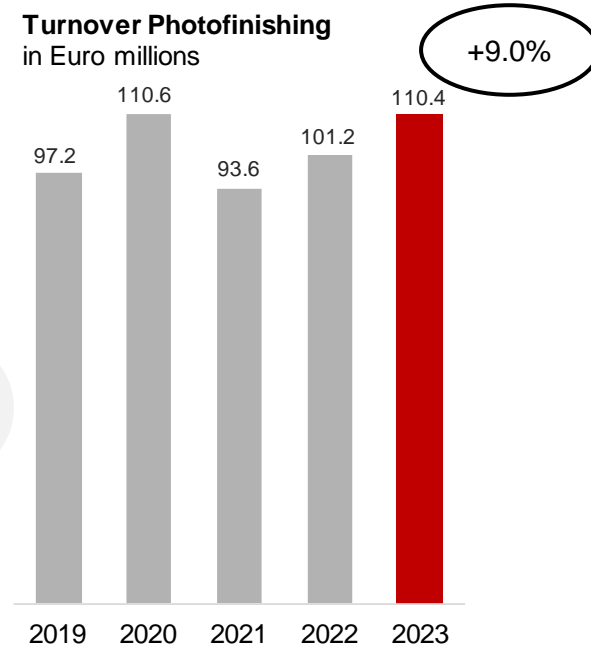


Photo volume and photofinishing turnover increase significantly and cause "turnover per photo" to rise further



Changed product mix has an effect on the turnover per photo: In the (Covid 19) previous years, there was an increased demand for e.g. wall pictures or puzzles with high turnover per photo, now the share of individual photo prints (with comparatively lower turnover per photo) in the total photo volume is increasing again

Number of prints and turnover Photofinishing H1

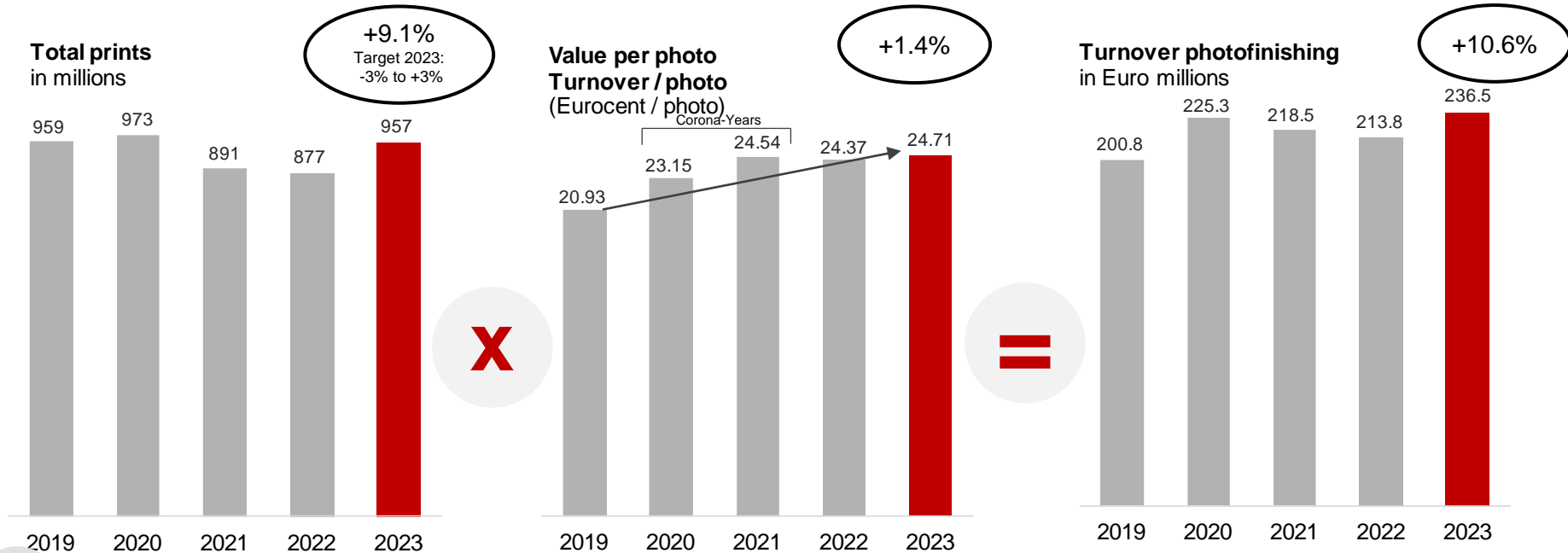


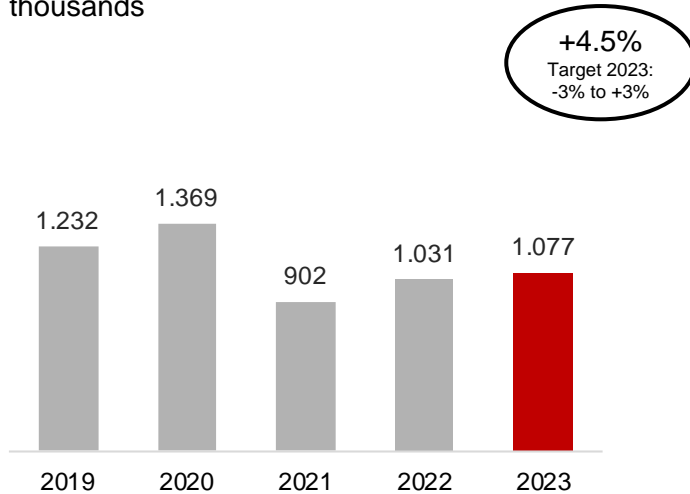
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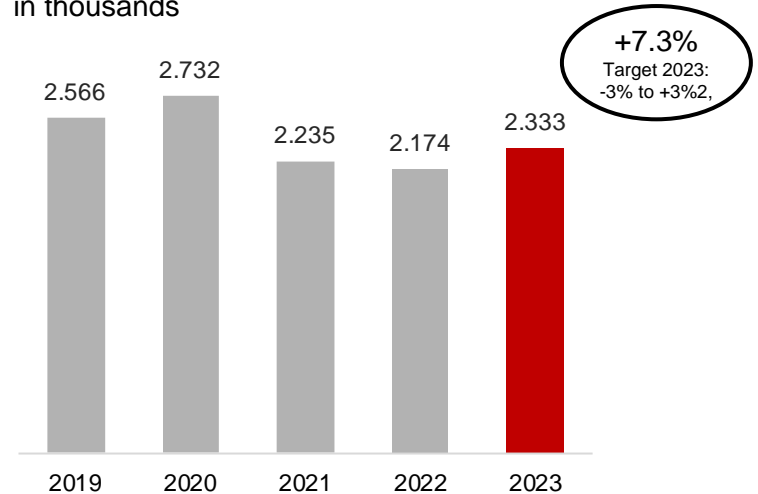
Changed product mix has an effect on the turnover per photo: In the (Covid 19) previous years, there was an increased demand for e.g. wall pictures or puzzles with high turnover per photo, now the share of individual photo prints (with comparatively lower turnover per photo) in the total photo volume is increasing again

CEWE Photobook Q2 and H1

Number of CEWE PHOTOBOOK Q2
in thousands



Number of CEWE PHOTOBOOK H1
in thousands

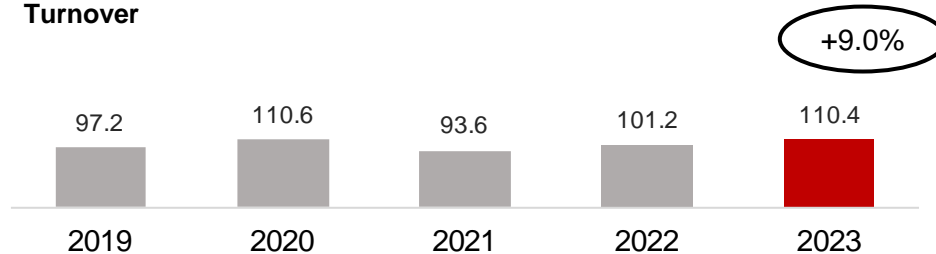


While the classic multi-photo product still felt the temporary lack of photos in the pandemic years 2021/22, mainly caused by holiday restrictions (e.g. few to no long-distance travel), the CEWE PHOTOBOOK is now clearly on the rise again after the pandemic has been overcome.

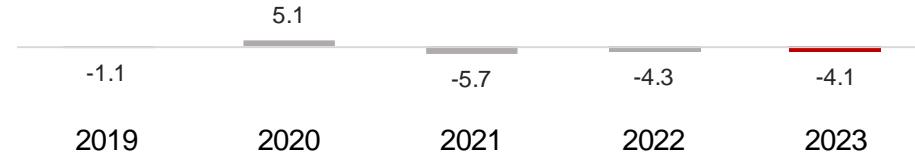
Photofinishing Q2

in Euro millions

Turnover



EBIT



- Photofinishing turnover continues to increase significantly by +9.0%. Here, around 7%-pt. come from price increases and around 2%-pt. from the demand-related increase in volume.
- Above all, the increase in holiday travel activity and the renewed rise in events, family celebrations etc. are producing new photo shoots and causing consumers to order more photo products.

- Reported photofinishing EBIT of -4.1 million euros is slightly better than in the same quarter of the previous year (Q2 2022: -4.3 million euros).
- The visible Q2 increase in earnings from volume growth and price increases amounting to +0.2 million euros is reduced by an extraordinary provision for software licences that are no longer required (-0.5 million euros). Without this special effect, the operative improvement amounts to +0.7 million euros.

- Due to the high fixed cost remanence, EBIT in photofinishing is typically negative in Q2, when demand is seasonally weaker.

- Special effects Q2 2023: -1.3 million euros
 - Effects from the purchase price allocation of Cheerz: -0.2 million euros
 - Effects from the purchase price allocation of WhiteWall: -0.5 million euros
 - Effects from the purchase price allocation of Hertz: -0.1 million euros
 - Provision for software licences: -0.5 million euros

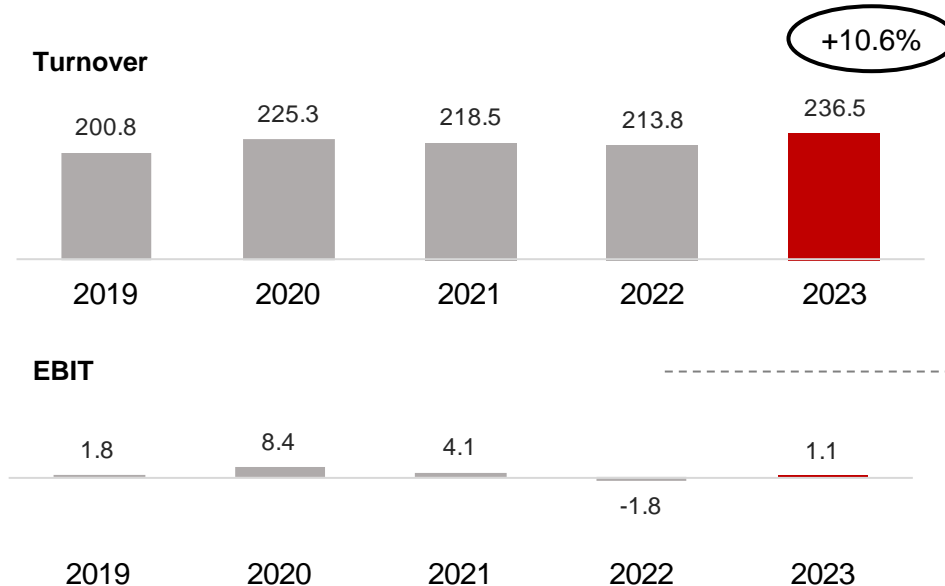
- Special effects Q2 2022: -0.8 million euros
 - Effects from the purchase price allocation of Cheerz: -0.4 million euros
 - Effects from the purchase price allocation of WhiteWall: -0.5 million euros
 - Effects from the purchase price allocation of Hertz: -0.1 million euros



Photofinishing continues to increase turnover significantly

Photofinishing H1

in Euro millions

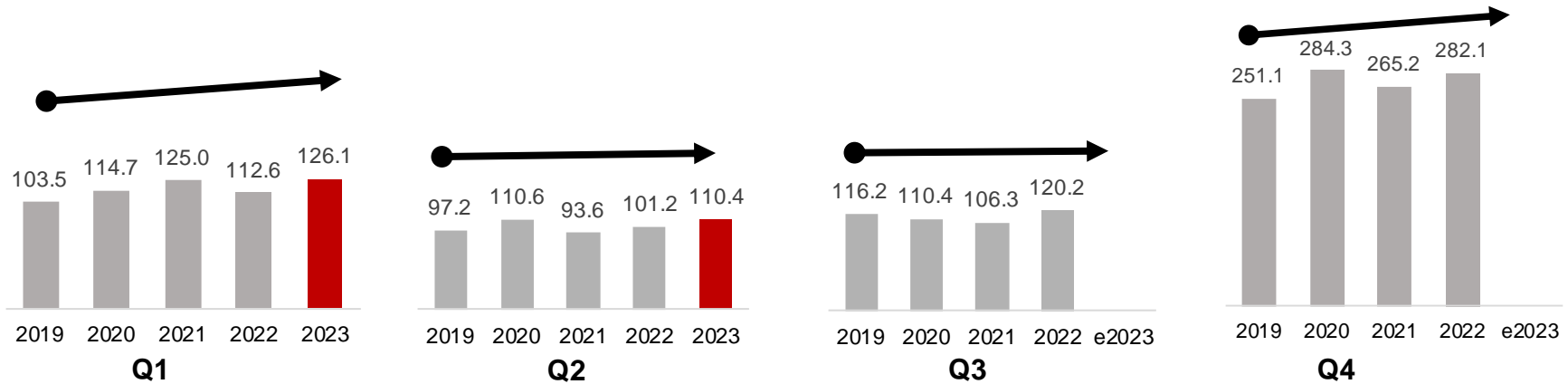


Photofinishing increases turnover significantly and improves earnings

- Photofinishing turnover increases significantly by +10.6% in H1. Here, around 5%-pt. come from price increases and around 6%-pt. from the demand-related increase in volume.
- Above all, the increase in holiday travel activity and the renewed rise in events, family celebrations, etc. are producing new photo shoots and causing consumers to order more photo products.
- The photofinishing EBIT thus improves by a strong +2.9 million euros due to volume and prices.
- The visible Q2 increase in earnings from volume growth and price increases amounting to +2.9 million euros is even reduced by an extraordinary provision for software licences that are no longer required (-0.5 million euros). Without this special effect, the operative improvement amounts to +3.4 million euros.
- Special effects H1 2023: -2.1 million euros
 - Effects from the purchase price allocation of Cheerz: -0.4 million euros
 - Effects from the purchase price allocation of WhiteWall: -1.1 million euros
 - Effects from the purchase price allocation of Hertz: -0.2 million euros
 - Provision for software licences: -0.5 million euros
- Special effects H1 2022: -2.0 million euros
 - Effects from the purchase price allocation of Cheerz: -0.8 million euros
 - Effects from the purchase price allocation of WhiteWall: -1.1 million euros
 - Effects from the purchase price allocation of Hertz: -0.1 million euros

Photofinishing-Turnover by Quarter

Seasonal distribution: CEWE 2019 to 2023 – Share in turnover by quarter as a million



Turnover target 2023
approx. 590 to 650 m€*

Q1 target
112.1 to 123.5 m€

Q2 target
97.4 to 107.3 m€

Q1 actual
126.1 m€



Q2 actual
110.4m€



> Photofinishing turnover also in Q2 above planned target range

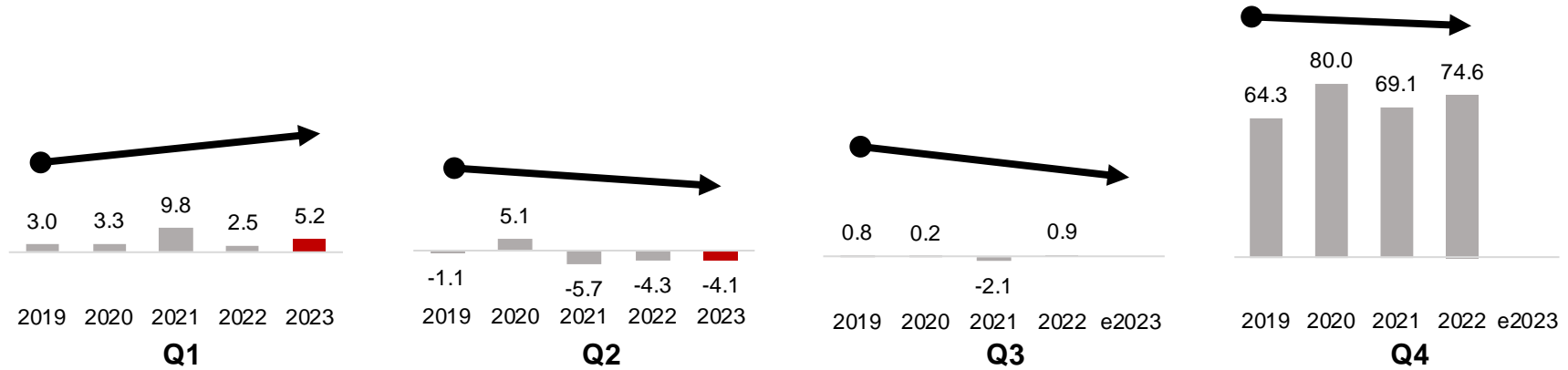
long-term trends

Rounding differences may occur.



Photofinishing-EBIT by Quarter

Seasonal distribution: CEWE 2019 to 2023 – EBIT by quarter in Euro mil



EBIT target 2023
68.5 to 80.5 m€*

Q1 target*
+3.0 to +4.0 m€

Q2 target*
-3.4 to -4.1 m€

Q1 actual
+5.2 m€



Q2 actual
-4.1 m€



Photofinishing-EBIT (despite special effect "SAP licenses") in Q2-target range

long-term trends

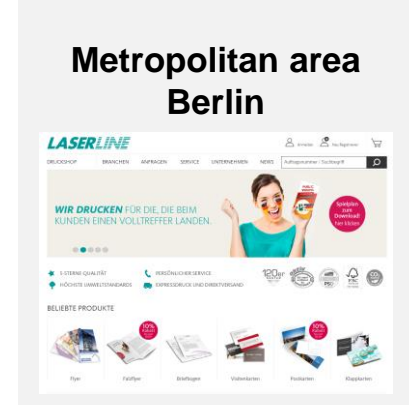
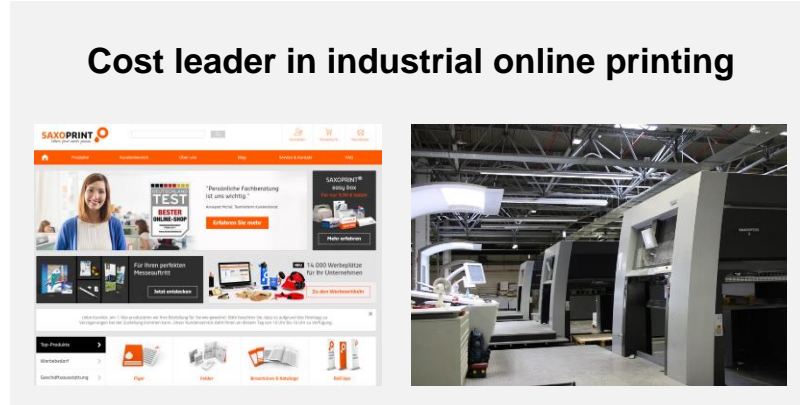
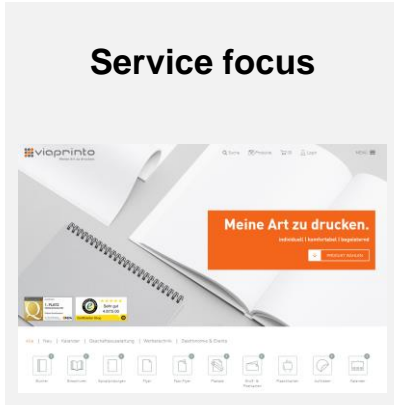
Es können sich Rundungsdifferenzen ergeben.





Commercial Online-Print

CEWE Commercial Online-Print

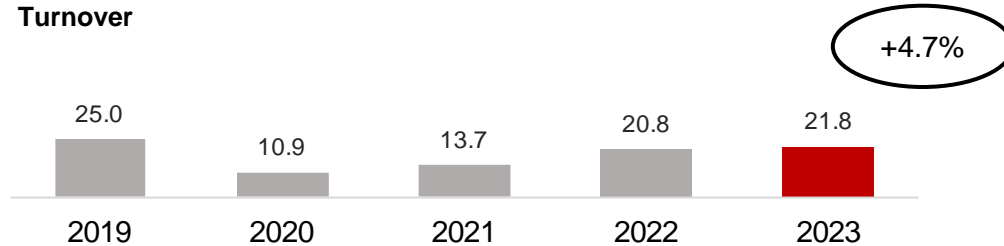


Business and advertising prints: flyers, business cards, stationery, packaging, promotional items, etc.

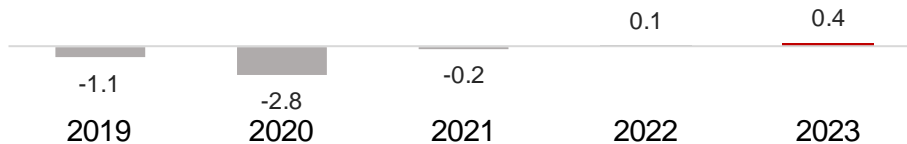
CEWE Commercial Online-Print Q2 – Strong results

in Euro millions

Turnover



EBIT



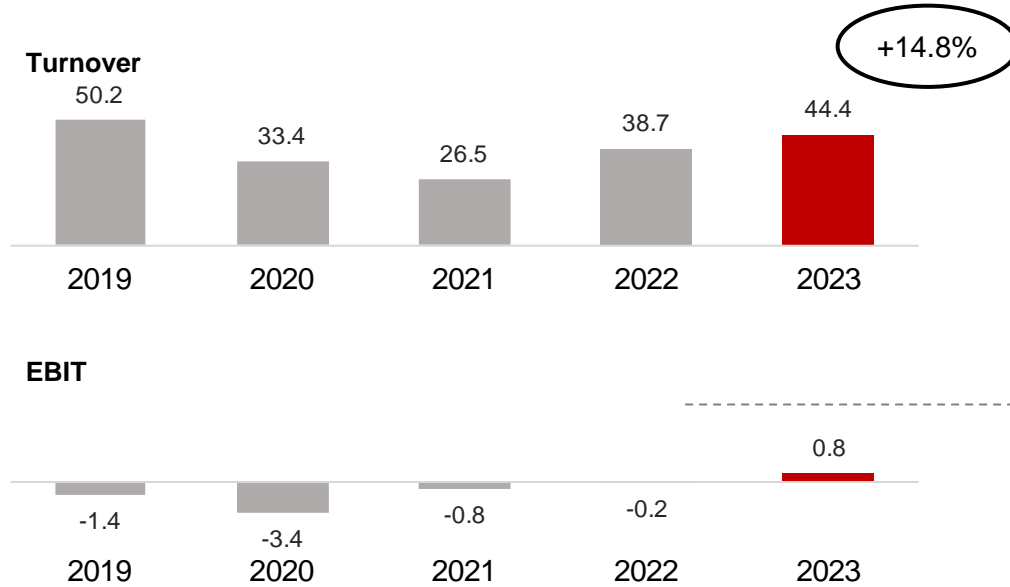
- COP turnover continues to grow in Q2. The still higher Q1 growth rate (+26.6%) is now slowing down, as in the previous year COP had recorded a particularly strong post-Corona turnover increase in Q2 with +52.5%, now representing the basis for comparison.
- With increasing turnover, COP improves its EBIT to 0.4 million euros (Q2 2022: 0.1 million euros).
- Cost efficiency in production and (thus possible) "best price guarantee" for its customers allow COP to continue to grow profitably.
- Special effects Q2 2023: -0.03 million euros
 - Effects from the purchase price allocation of Laserline: -0.03 million euros
- Special effects Q2 2022: -0.06 million euros
 - Effects from the purchase price allocation of Laserline: -0.06 million euros



COP continues to increase turnover and earnings with the "Best Price Guarantee"

CEWE Commercial Online-Print H1 – Strong results

in Euro millions



- COP turnover continues to grow in H1: an increase of 14.8%. In Q2 (+4.7%), the even higher Q1 growth rate (+26.6%) slows down, as in the previous year COP had recorded a particularly strong post-Corona turnover increase in Q2 with +52.5%.
- With rising turnover, COP can improve its EBIT by +1.0 million euros to 0.8 million (H1 2022: -0.2 million).
- Cost efficiency in production and (thus possible) "best price guarantee" for its customers allow COP to continue to grow profitably.
- Special effects H1 2023: -0.05 million euros
 - Effects from the purchase price allocation of Laserline: -0.05 million euros
- Special effects H1 2022: -0.12 million euros
 - Effects from the purchase price allocation of Laserline: -0.12 million euros



COP continues to increase turnover and earnings with the "Best Price Guarantee"



Straßenfußball | Andreas Bauer | Winner CEWE Photo Award 2021

Retail



CEWE Retail with focus on Photofinishing business



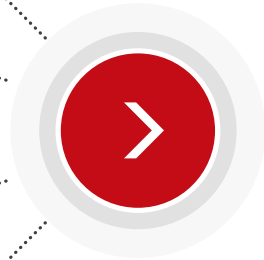
FOTOJOKER



FOTOLAB



wöltje



101 stationary photo retail stores in Scandinavia and Central Eastern Europe

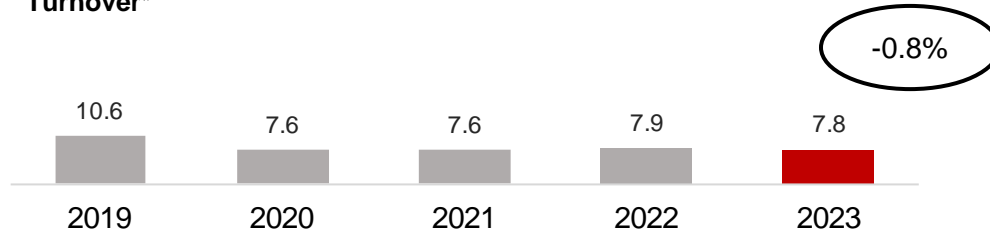


E-commerce webshops sell hardware (cameras and accessories) and photo products from CEWE at the POS and on the Internet

CEWE Retail* Q2 - Holding Forth

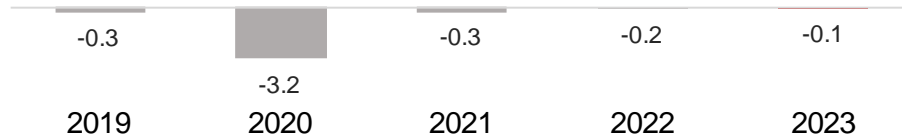
in Euro millions

Turnover*



- Retail achieves turnover in Q2 almost at the previous year's level.
- Retail continues to focus on the photofinishing business and the optimization of low-margin hardware business. According to strategy, the active reduction in hardware-turnover in the years before the onset of the Corona crisis was even around -10%.

EBIT*



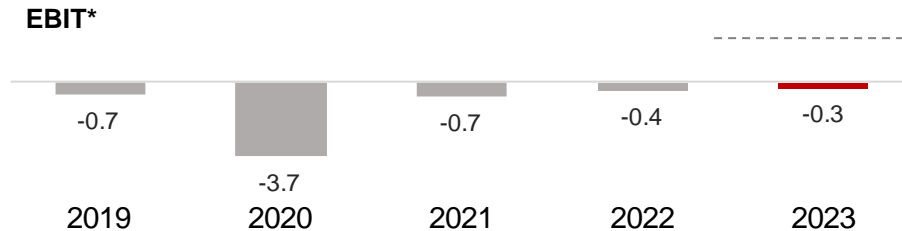
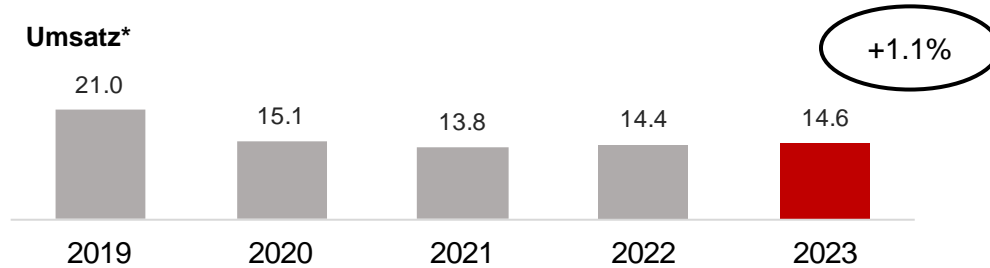
- The EBIT, which is traditionally slightly negative in the second quarter due to the seasonality of the business, improves to -0.1 million euros.
- Special effects Q2 2023: none
- Special effects Q2 2022: none



Retail continues to be well positioned with optimised shop structure

CEWE Retail* H1 – Holding Forth

in Euro millions



- Retail achieved a slight increase in turnover of 1.1% in H1 compared to the same period last year.
- The Retail business segment continues to focus on the photofinishing business and the optimization of low-margin hardware business. According to strategy, the active reduction in hardware-turnover in the years before the onset of the Corona crisis was even around -10%.

- The EBIT, which is traditionally slightly negative in the first half of the year due to the seasonality of the business, improved to -0.3 million euros.
- Special effects H1 2023: none
- Special effects H1 2022: none



Retail continues to be well positioned with optimised shop structure



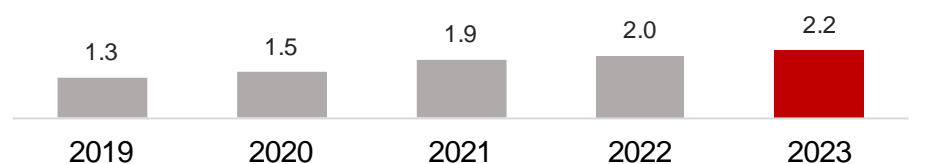
Tausend rote Nadeln | Wanja Wiese | Winner CEWE Photo Award 2021

Other

CEWE Others* Q2

in Euro millions

Turnover



EBIT



Structural and corporate costs and profits arising from real estate property and company investments are shown in the "other" business segment.

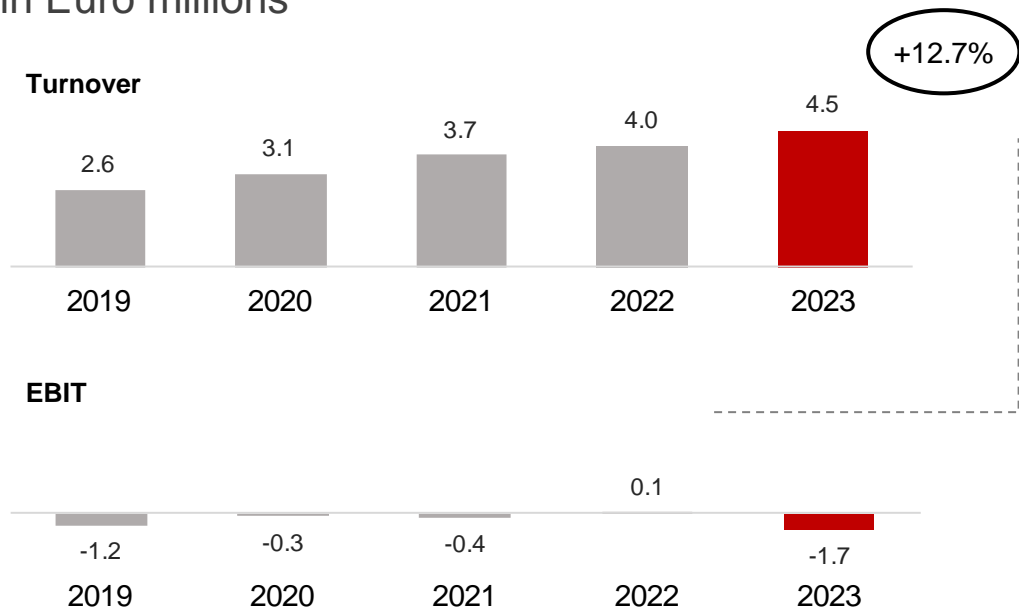
- The 2.2 million euros in revenue are exclusively attributable to futalis (Q2 2022: 2.0 million euros).
- The EBIT contribution of the segment amounts to -1.4 million euros (Q2 2022: 0.0 million euros).
- This decline in earnings was mainly due to a -1.2 million euros decrease in the EBIT of futalis, which also includes a necessary machine write-off of -0.8 million euros as a special effect due to the recently conducted impairment test.
- The impairment test was necessary due to the update of the futalis planning for the full year 2023, which was initiated in preparation for the initiation of the sale process of futalis.
- In addition, investor relations costs were slightly higher than in the previous year due to the Annual General Meeting, which was physically held again for the first time after the Corona period.



Other business segment further increases turnover, EBIT with special effect from futalis impairment test

CEWE Others* H1

in Euro millions



Structural and corporate costs and profits arising from real estate property and company investments are shown in the "other" business segment.

- The 4.5 million euros in turnover is exclusively attributable to futalis (H1 2022: 4.0 million euros)
- The EBIT contribution of the segment amounts to -1.7 million euros (H1 2022: 0.1 million euros).
- This decline in earnings was mainly due to a -1.4 million euros decrease in the EBIT of futalis, which also includes a necessary machine write-off of -0.8 million euros as a special effect due to the recently conducted impairment test.
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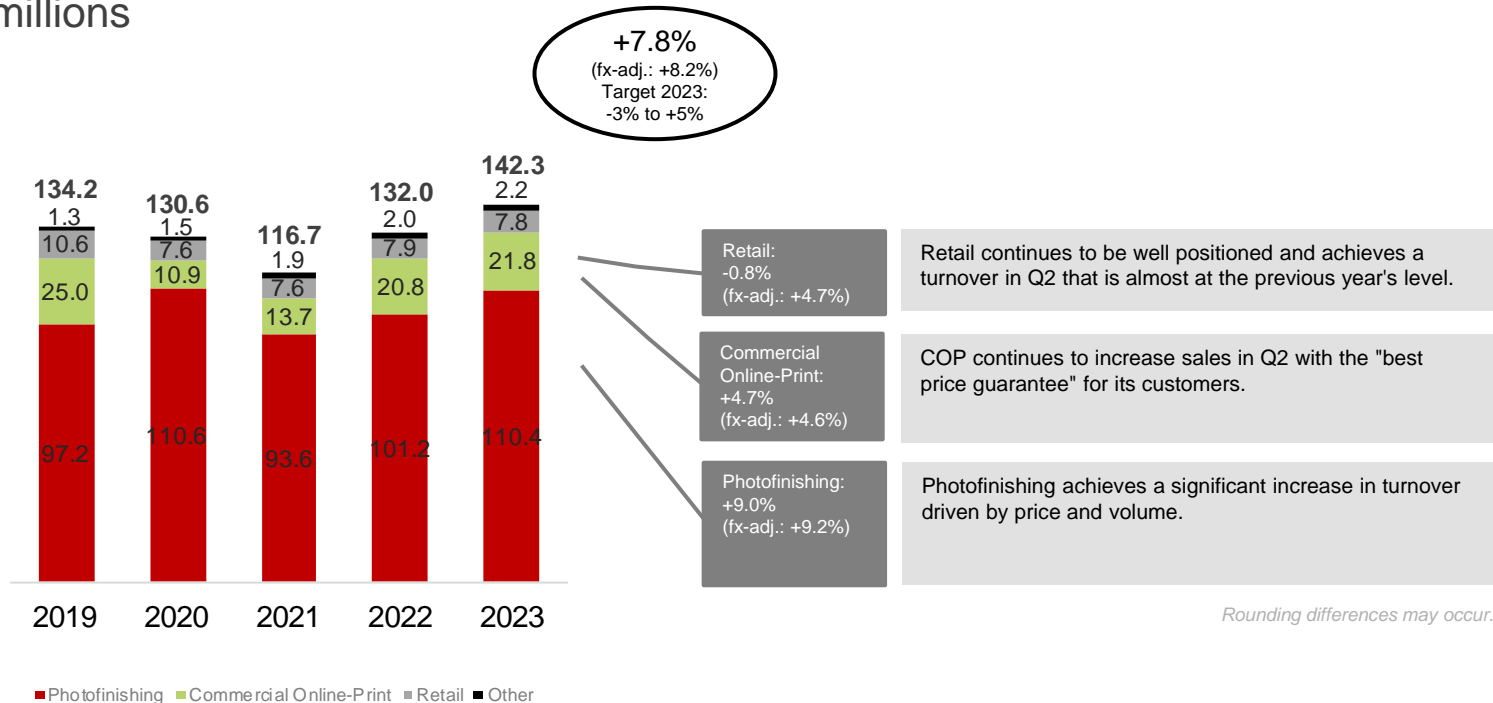
Other business segment further increases turnover, EBIT with special effect from futalis impairment test



Group Results

CEWE GROUP Turnover Q2 – Strong Increase

in Euro millions

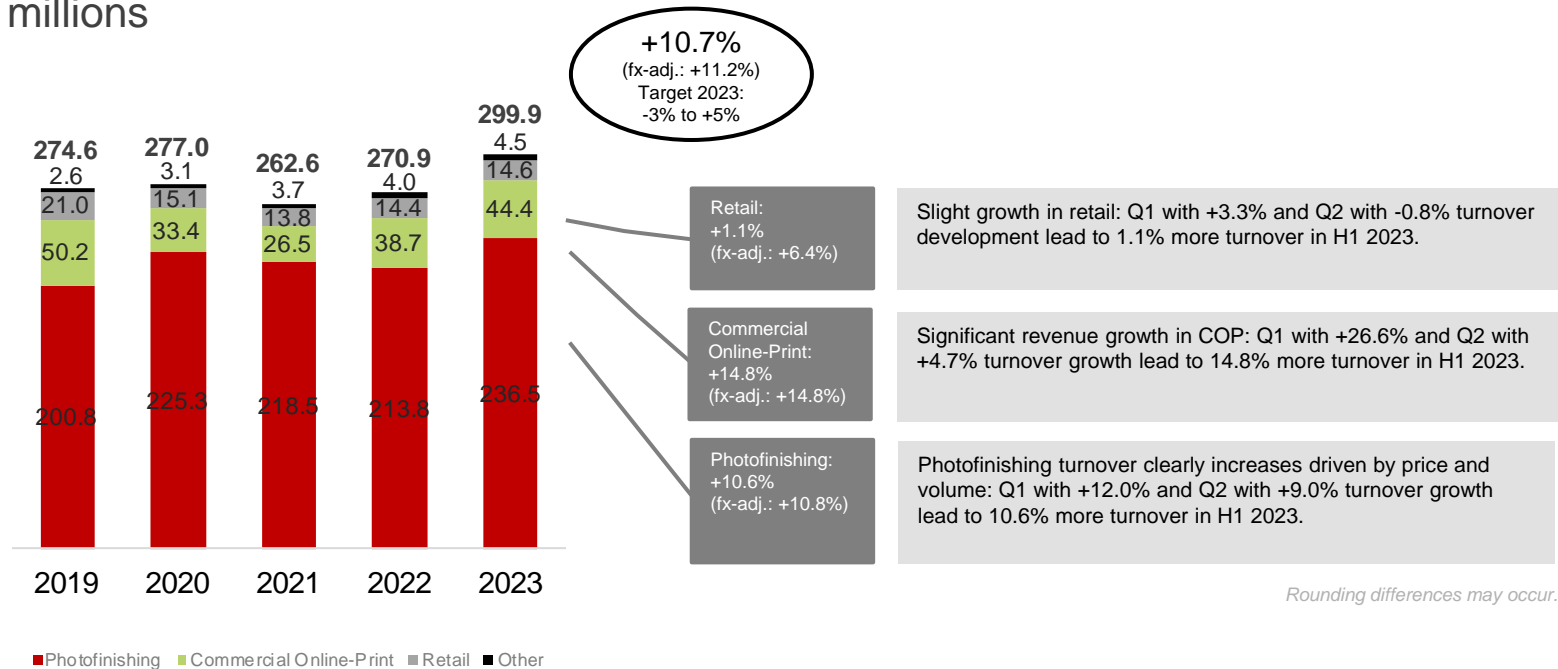


Growth in Photofinishing and COP lead to further increase in Group turnover in Q2



CEWE GROUP Turnover H1 – Strong Increase

in Euro millions

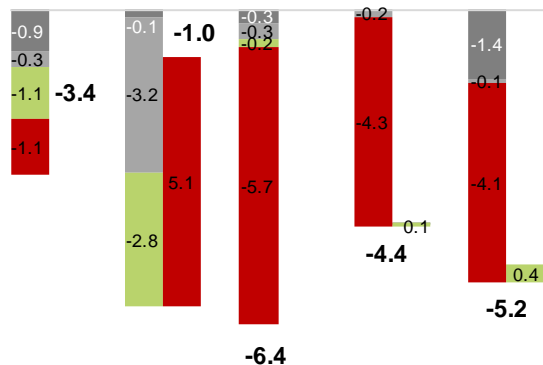


Growth in all business segments leads to further increase in Group turnover in H1

CEWE GROUP Ebit – On track for HY1

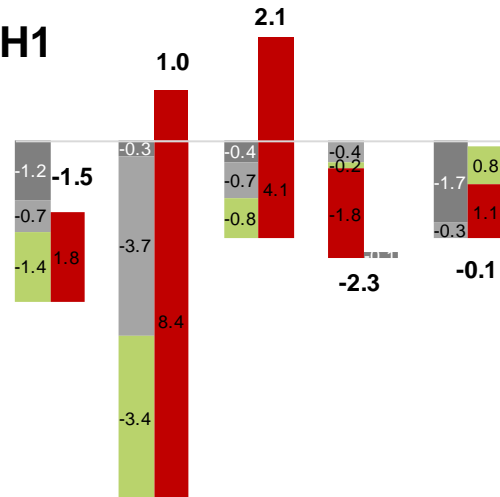
in Euro millions

Q2



2019 2020 2021 2022 2023
 ■ Other ■ Retail ■ Commercial Online-Print ■ Photofinishing

H1



2019 2020 2021 2022 2023
 ■ Other ■ Retail ■ Commercial Online-Print ■ Photofinishing



Fixed cost remanence in Photofinishing traditionally leads to a negative group EBIT in the second quarter



Operational EBIT improvement to -4.0 million euros is not directly visible due to special effects (software licences -0.5 million euros and futalis machine depreciation -0.8 million euros)



Group EBIT in H1 (despite -1.3 million euros special effects in Q2) significantly better than in the previous year and also clearly stronger than in the last pre-Corona year 2019



Financial Details

Consolidated income statement Q2

Figures in Euro millions	Q2 2022	in % of revenues	Q2 2023	in % of revenues	Δ as %	Δ as m€
Revenues	132,0	100%	142,3	100%	7,8%	10,3
Increase / decrease in finished and unfinished goods	-0,1	0%	0,0	0,0%	-	0,1
Other own work capitalised	0,7	0,5%	0,9	0,7%	30,4%	0,2
Other operating income	8,1	6,1%	4,9	3,4%	-39,4%	-3,2
Cost of materials	-39,0	-29,6%	-41,0	-28,8%	5,0%	-2,0
Gross profit	101,7	77,0%	107,1	75,3%	5,4%	5,4
Personnel expenses	-47,7	-36,1%	-50,7	-35,6%	-6,3%	-3,0
Other operating expenses	-45,1	-34,1%	-48,1	-33,8%	-6,7%	-3,0
EBITDA	8,9	6,8%	8,3	5,9%	-6,5%	-0,6
Amortisation/Depreciation	-13,3	-10,1%	-13,6	-9,5%	-2,2%	-0,3
Earnings before interest, taxes (EBIT)	-4,4	-3,3%	-5,2	-3,7%	19,8%	-0,9
Financial income	0,5	0,4%	0,3	0,2%	47,4%	-0,3
Financial expenses	-0,4	-0,3%	-0,5	-0,4%	-42,5%	-0,1
Financial result	0,2	0,1%	-0,2	-0,2%	-	-0,4
Earnings before taxes (EBT)	-4,2	-3,2%	-5,5	-3,8%	30,2%	-1,3

(+) Growth in Photofinishing (+ 9.0%) and Commercial Online-Print (+ 4.7%)

(-) Slight decline in Retail (- 0.8%)

(-) In the previous year higher reversals of provisions and valuation allowances and also more income from recyclable residual materials arising during the production process in consumables

(-) Absolute increase in line with turnover development; improvement in cost of materials ratio due to lower share of COP turnover year-on-year

(-) Overall slight increase in personnel costs and at the same time slight improvement in the personnel expense ratio

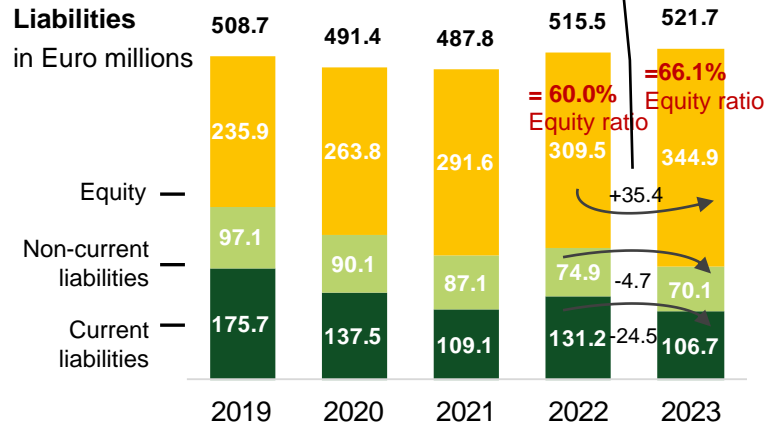
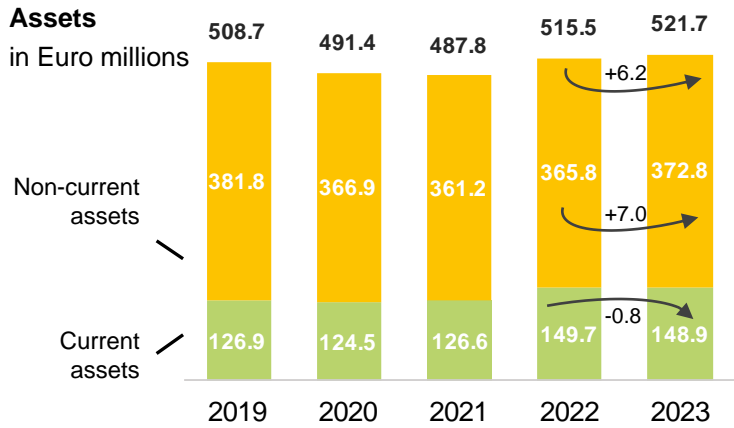
(-) Tariff increases effective March 1, 2022 also have a minor impact

(-) Increase due to higher marketing costs, more administrative costs in the form of IT costs and business driven due to higher cash transaction service charges

Rounding differences may occur.

Balance Sheet at 30 June

Comprehensive income + € 51.8 m.
Dividend - € 17.3 m.
Other effects + € 0.9 m.

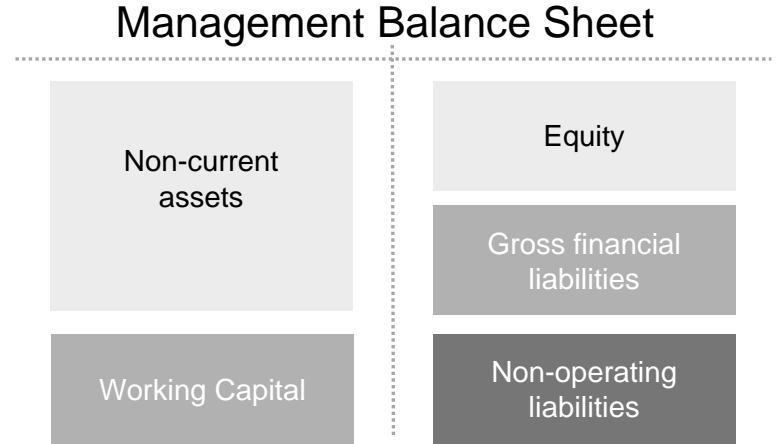
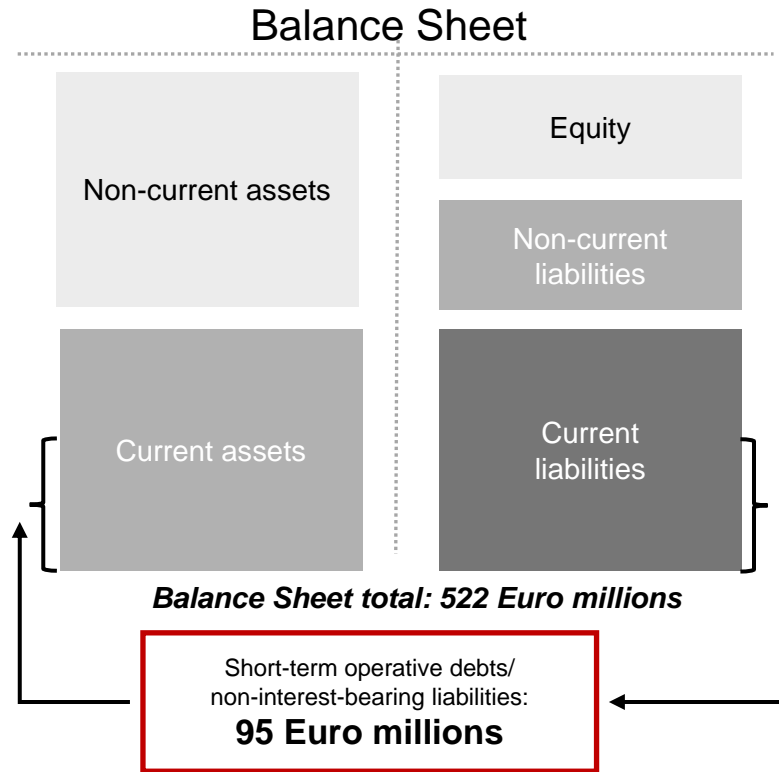


Total assets slightly increased by 6.2 million euros to 521.7 million euros (+ 1.2 %)



Positive earnings situation leads to further increase in equity ratio to a strong 66.1 % (Q2 2022: 60.0 %)

From Balance Sheet to Management Balance Sheet



Balance Sheet total: 427 Euro millions

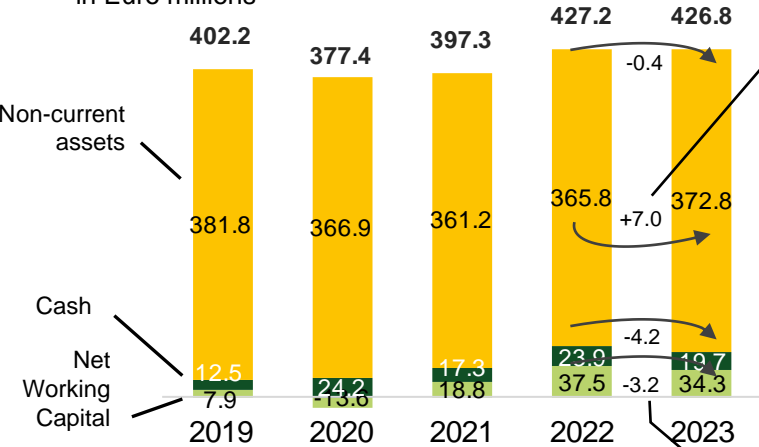


The Balance Sheet total is reduced to capital elements "to be paid for" (by way of dividends or interest) in the management balance sheet

Management-Balance Sheet at 30 June

Operating Fixed Assets + € 6.0 m.: (+) Real estate projects in the PF production area, (-) Scheduled depreciation, (+) Goodwill from the purchase of Hertz
Deferred tax assets + € 0.5 m.

Capital Employed in Euro millions



Other net working capital - € 1.8 m.

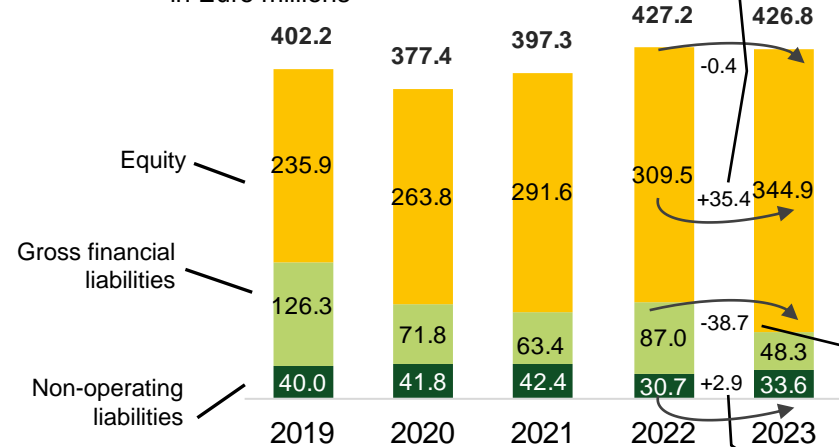
- **Tax position** - € 4.0 m.: Income tax receivables (- € 2.9 m.), tax liabilities (+ 1.1 m.)
- **Current financial liabilities** - € 1.5 m.
- **Other current provisions** - € 1.0 m.

Operating net working capital - € 1.5 m.

- **Inventories** + € 3.3 m.: DIO (days inventory outstanding) do not change and is at 38 days
- **Trade receivables** + € 1.6 m.: DSO (days sales outstanding) drop by one day to 23 days
- **Trade Payables** + € 6.4 m.: DPO (days payables outstanding) increase by two days to 39 days

Comprehensive income + € 51.8 m.
Dividend - € 17.3 m.
Other effects + € 0.9 m.

Capital Invested in Euro millions



Pension accruals + € 2.2 m.

Non-current financial liabilities + € 0.6 m.

Current financial liabilities - € 30.8 m.

Lease Liabilities - € 7.7 m.: regular redemption payments and higher interest rates



Increase in equity (+ € 35.4 m.) supports reduction in gross financial liabilities (- € 38.7 m.)

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Rounding differences may occur.

Free cash flow Q2

Increase of € 6.9 m. due to:

- € 0.6 m. offsetting earnings (total EBITDA + non-cash effects)

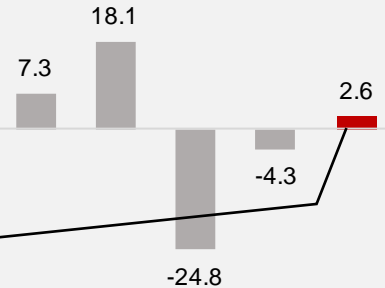
+ € 3.3 m. tax payments (Lower tax payments due to reduction of advance tax payments)

+ € 3.9 m. other net working capital (mainly change in value-added tax items and current other accruals)

+ € 0.1 m. operating net working capital

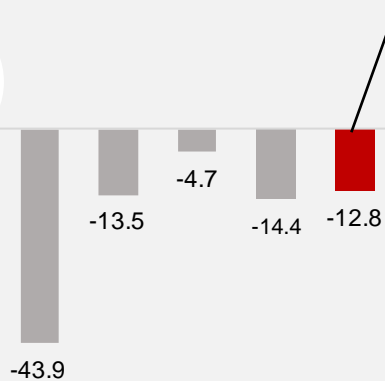
Cash Flow from operating business in Euro millions

2019 2020 2021 2022 2023



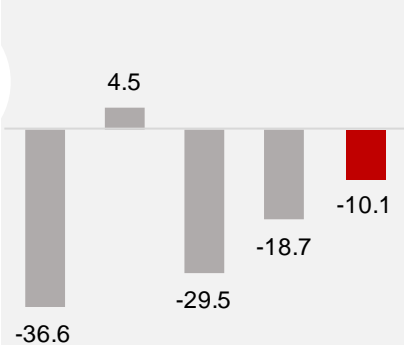
Outflow of funds from investment activities in Euro millions

2019 2020 2021 2022 2023



Free-Cash Flow in Euro millions

2019 2020 2021 2022 2023



Decrease by € 1.6 m. due to absence of special investments of € 6.2 m. (purchase of Hertz in 2022), - € 3.6 m. higher outflows from investments in operating assets and - € 0.9 m. lower inflows, respectively higher outflows from financial assets

Acquisition of WhiteWall
-€32.0 m

Rounding differences may occur.



Tax payments (income tax and value-added tax) increase cash flow from operating business by 6.9 million euros to 2.6 million euros and thus become positive again

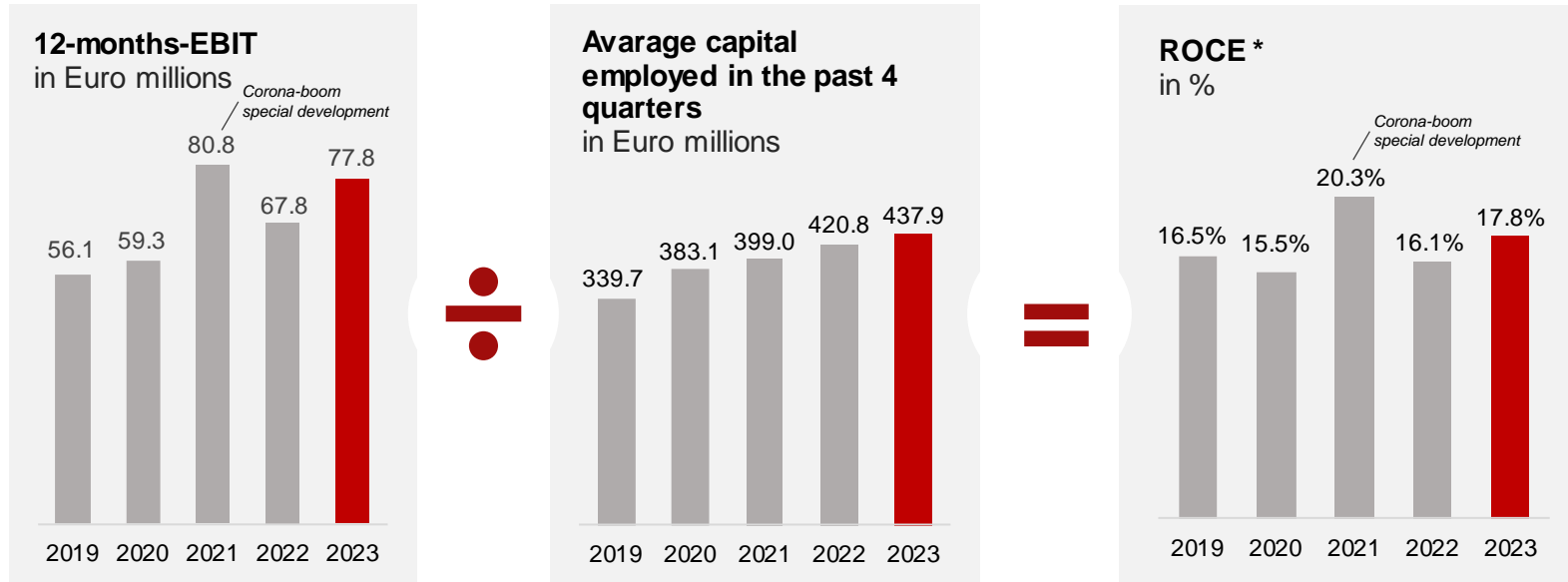


Cash outflow from investing activities decreases by 1.6 million euros as no special investments were made



Q2 free cash flow increases by 8.6 million euros

ROCE



ROCE at a strong 17.8% above the 16.5% of the last pre-Corona period in 2019 and clearly better than in the previous year

* ROCE = EBIT / Capital Employed. Rounding differences may occur.



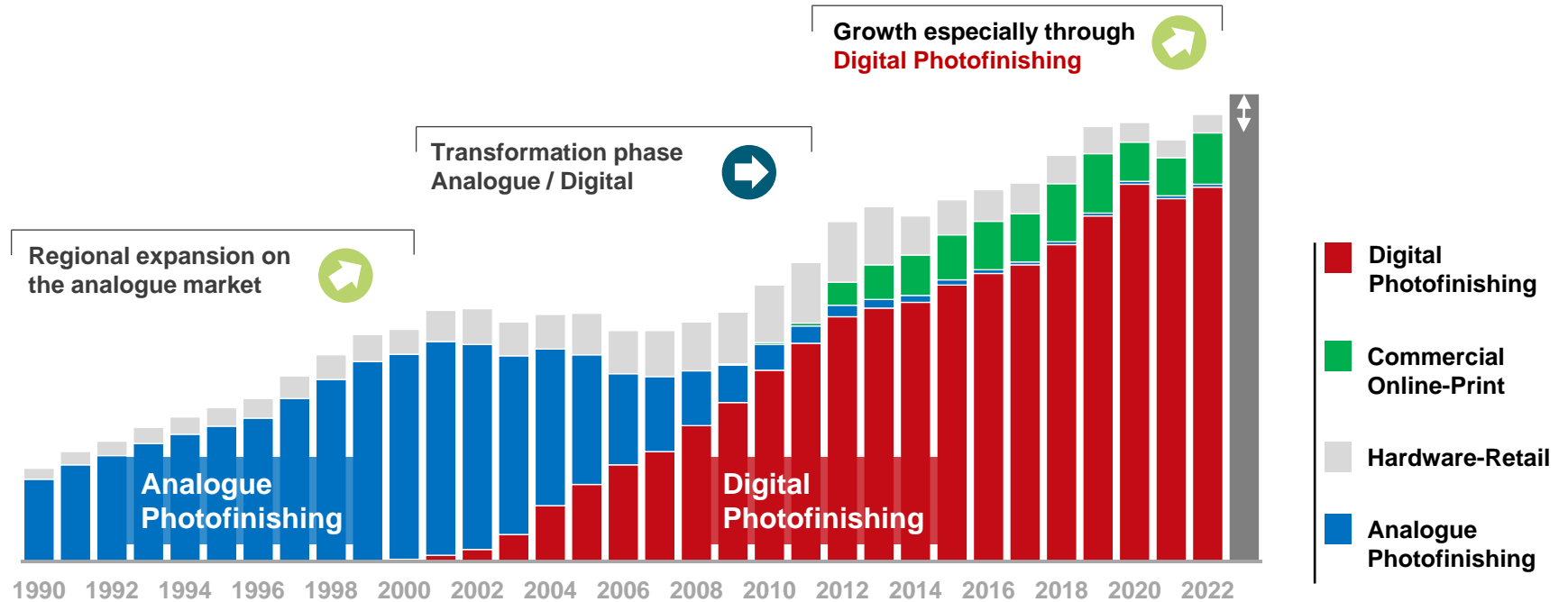
Giraffenfamilie | Claudia Buehler | Winner CEWE Photo Award 2021

Outlook

CEWE confirms targets 2023 (post HY1) - long term growth path

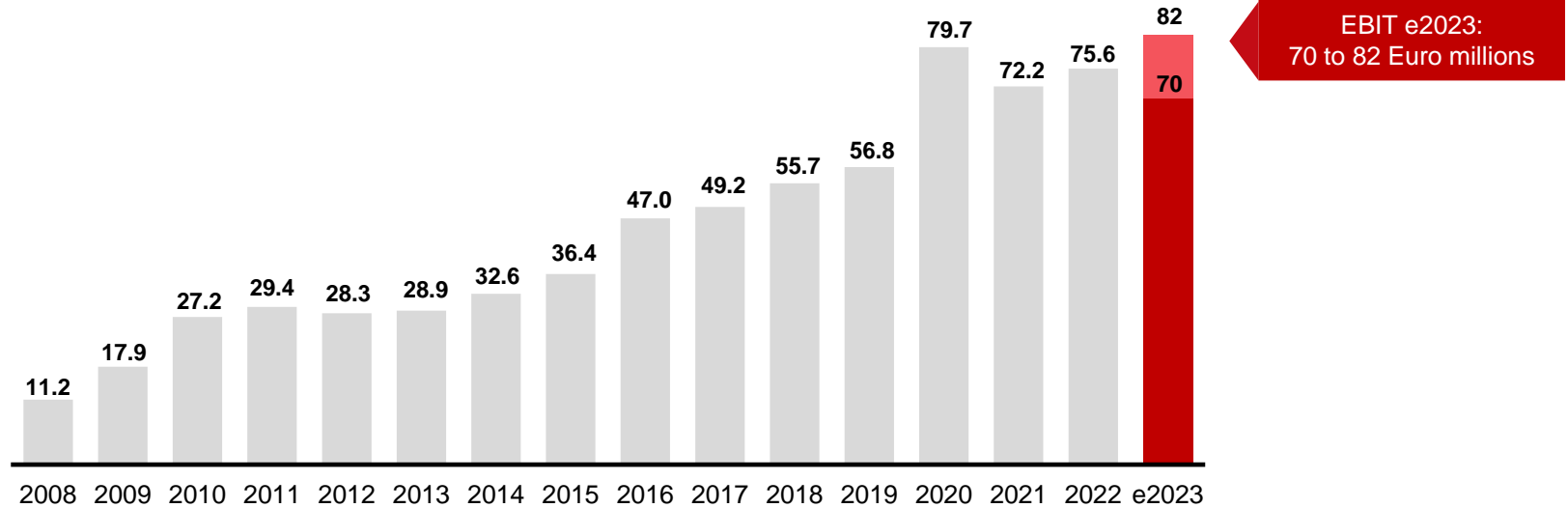
Revenue (CONCEPTUAL)

e2023: 720 to 780
Euro millions



CEWE confirms Target 2023 (post HY1)

EBIT in Euro millions



CEWE confirms targets 2023 (post HY1)

Targets		PY 2022	Target 2023	Change
Photos ¹	billion photos	2.28	2.2 to 2.3	-3% to +3%
CEWE PHOTO BOOK	millions	5.85	5.7 to 6.0	-3% to +3%
Operational Investments ²	Euro millions	54.8	60	
Revenue	Euro millions	741.0	720 to 780	-3% to +5%
EBIT	Euro millions	75.6	70 to 82	-7% to +8%
EBT ³	Euro millions	74.8	69 to 81	-8% to +8%
Earnings after tax ⁴	Euro millions	51.1	47 to 55	-9% to +7%
Earnings per share	Euro	7.20	6.58 to 7.73	-9% to +7%

1 The number of photos is the sum of the images with which CEWE photo products were designed and refers to all images that are used in value-added (CEWE PHOTOBOOK, calendars, wall art, greeting cards, etc.)

2 Outflows from investments in property, plant and equipment and intangible assets, netted against inflows from the sale of property, plant and equipment and intangible assets; without acquisitions/company acquisitions

3 Without subsequent valuations of equity instruments

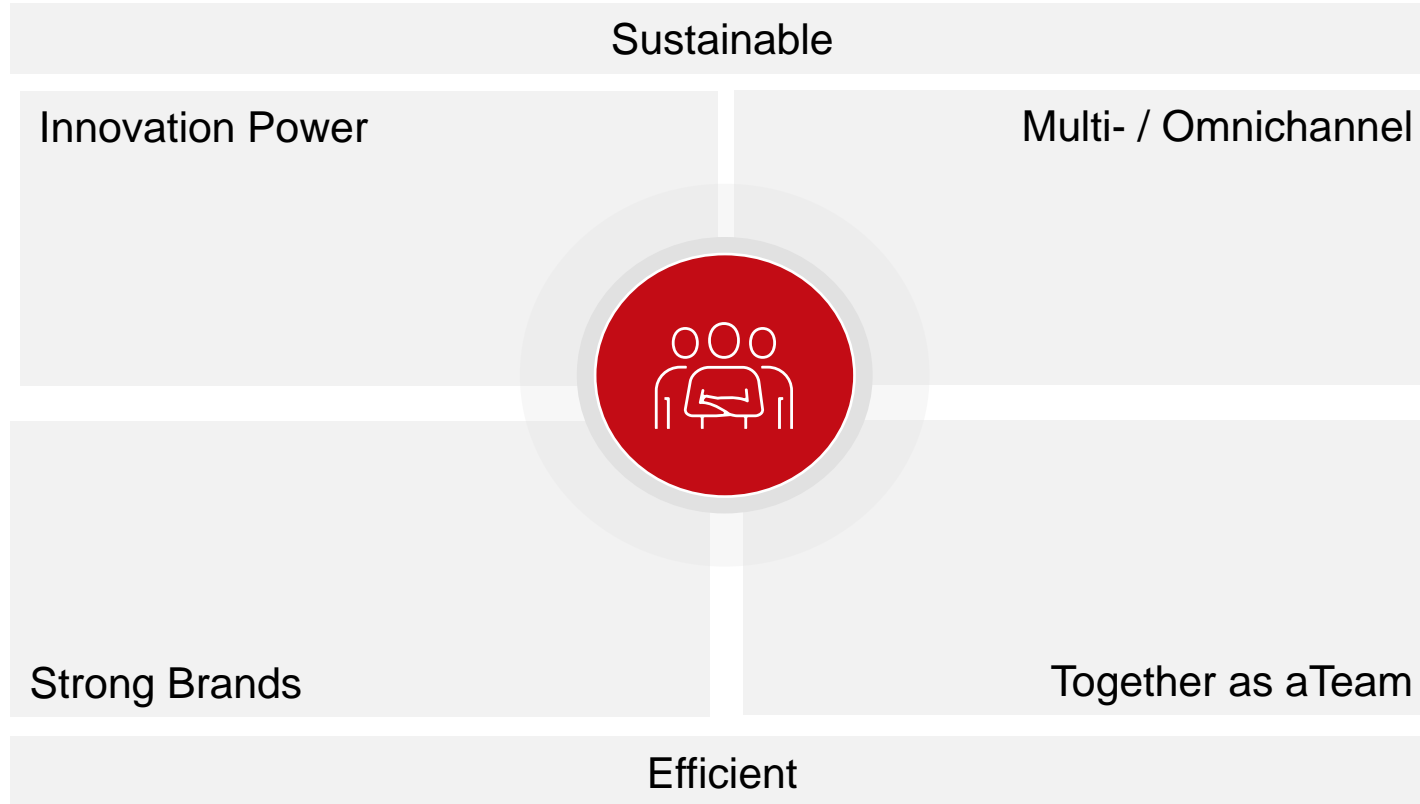
4 Based on the normalized group tax rate of the previous year

The range of the 2023 EBIT target reflects the uncertainty that is currently arising from the pandemic and also from general price increases.

CEWE assumes that the company will not be directly affected by the war in the Ukraine, neither on the procurement nor on the sales side.

At this point, CEWE's planning for 2023 does not take into account any effects – e.g. on consumer behavior – of the war in Ukraine extending in terms of time and/or space.

CEWE GROUP: Our Approach



SINCERE THANKS TO THE ENTIRE TEAM !



The "WE" in CEWE

Guiding Principles on Leadership & Cooperation in the CEWE Group



 *cewe*



Solitude at Durdle Door | George Pricope | Winner CEWE Photo Award 2021

Q&A-Session

 *cewe*