



CEWE Stiftung & Co. KGaA

Guidance increase no surprise

10/11/2016

Hold
72.00 EUR

Close (09/11/2016) 79.85 EUR

Bloomberg: CWC WKN: 540390

Sector Consumer

Share price performance

52 week high 90.55

52 week low 47.11

Compared to SDAX

YTD 45.9%

1 month -6.6%

12 months 41.2%



Share data

Market Cap (m EUR) 568.5

No. of shares (m) 7.1

Free float 70.5%

Trading vol. Ø (m EUR) 1.1

Next event

23/03/2017 Annual Results

Analyst

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See end of document for disclaimer.

CEWE published Q3/9M figures this morning slightly above our expectations. As expected, the company raised its guidance for 2016. As our EBIT forecast of € 47 m is still above the new upper end of € 46 m, we view the new guidance as conservative. Nevertheless, uncertainties remain as Q4 EBIT contributes roughly 90% to annual earnings.

Q3 IN A NUTSHELL

CeWe Stiftung [€ m]	Q3 2016	BHL Q3 2016e	Consensus Q3 2016e	Q3 2015	% yoy
Photofinishing					
Sales	95,4	94,0	---	91,5	4,3%
EBIT	5,6	4,0	---	3,9	42,9%
Retail					
Sales	12,9	13,1	---	15,1	-14,4%
EBIT	0,0	0,1	---	-0,1	---
Commercial Online-Print					
Sales	19,7	19,8	---	18,7	5,3%
EBIT	-0,3	-0,1	---	-0,4	-17,4%
Others/Consolidation					
Sales	0,6	0,5	---	0,2	167,9%
EBIT	-0,8	-0,8	---	-0,6	28,2%
Group					
Sales	128,6	127,4	128,1	125,5	2,5%
EBIT	4,5	3,2	2,6	2,9	56,1%

Source: Company information, FactSet, Bankhaus Lampe Research

- According to the results, CEWE already achieved an LTM (Q4 2015-Q3 2016) of € 45.5 m. This compares with the new EBIT guidance of € 40-46 m (old: € 38-44 m).
- Photofinishing posted somewhat slower growth in Q3 of 4.3% (BHL: +2.7% after Q1: +13%, Q2: +12%). The EBIT figures include a one-off of € 2.1 m linked to the sale of a production facility in Poland last year.
- Retail posted a double-digit sales decline (-14.0, BHL: -13.1%). The important thing is that sales in this segment are not a KPI. On the positive side, the EBIT improved by € 0.1m (BHL: € 0.2 m) in Q3.
- In Commercial Online Print, CEWE also reported slower growth, as expected. After H1 growth of 13% (we estimate 10% for FY 2016, which CEWE confirmed at investor meetings), this led to slower growth of 5.3% (BHL: 5.8%) in Q3.

in m EUR	2014	2015	2016e	2017e	2018e
Sales	523.8	554.2	582.0	599.5	617.4
EBIT	32.6	36.8	47.0	49.8	51.9
EBIT margin	6.2%	6.6%	8.1%	8.3%	8.4%
Net financial debt	-23.5	-15.0	-33.9	-53.7	-74.6
Free cash-flow	28.1	4.4	27.8	31.6	33.0
EPS (in EUR)	3.08	3.24	4.74	4.72	4.92
DPS (in EUR)	1.55	1.60	1.65	1.70	1.75
Dividend yield	3.0%	2.9%	2.1%	2.1%	2.2%
EV/Sales	0.7	0.7	1.0	0.9	0.8
EV/EBIT	11.0	10.8	11.9	10.8	10.0
Price Earnings ratio (P/E)	16.7	16.8	16.9	16.9	16.2

Source: Company information, Bankhaus Lampe Research estimates

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

Overview of changes in our recommendations/price targets in the previous twelve months for: CEWE Stiftung & Co. KGaA (CWC GY), Close (09/11/2016): 79.85 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
16/08/2016	76.09 EUR	Hold	72.00 EUR
06/04/2016	58.47 EUR	Buy	65.00 EUR
12/02/2016	47.40 EUR	Buy	60.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/10/2016)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	56.0%	66.7%
Hold	38.0%	33.3%
Sell	5.0%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
CEWE Stiftung & Co. KGaA	---

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