



CEWE Stiftung & Co. KGaA

Expecting solid start to 2016

06/05/2016**Buy**
65.00 EUR

Close (05/05/2016) 54.30 EUR

Bloomberg: CWC WKN: 540390

Sector Consumer

Share price performance

52 week high 59.75

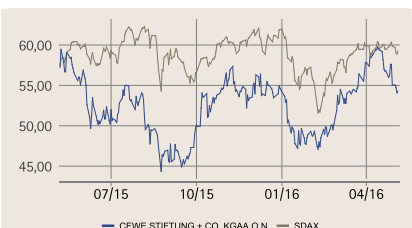
52 week low 44.34

Compared to SDAX

YTD 3.8%

1 month -7.5%

12 months -10.3%

**Share data**

Market Cap (m EUR) 386.6

No. of shares (m) 7.1

Free float 69.9%

Trading vol. Ø (m EUR) 0.66

Next event

12/05/2016 Quarterly Results

Analyst

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See end of document for disclaimer.

QUARTERLY RESULTS ON 12/05/2016

[€ m]	BHL Q1 2016e	Consensus Q1 2016e	Q1 2015	% yoy
Fotofinishing				
Sales	83.9	---	75.5	11.1%
EBIT	0.7	---	-0.8	---
Retail				
Sales	13.2	---	13.4	-1.5%
EBIT	-0.4	---	-1.1	63.6%
Commercial Online-Print				
Sales	19.7	---	17.9	10.1%
EBIT	0.2	---	-1.3	---
Others				
Sales	0.1	---	0.0	---
EBIT	-0.4	---	-0.3	-33.3%
Group				
Sales	116.9	---	106.8	9.5%
EBIT	0.1	---	-3.5	---

Source: Company information, Factset, Bankhaus Lampe Research

- We expect Cewe to report a solid start to 2016, and we believe that for the first time in the company's history, it will report positive EBIT figures for Q1.
- The Photofinishing segment clearly drives business in Q1. The improvements in earnings are due to an improved brand business in the last few years, in our view.
- Retail earnings are also likely to improve as no restructuring costs should hinder the earnings trend.
- Commercial online print should post double-digit sales growth, and we expect to see small positive earnings contributions from this segment, which is clearly a good sign and should support the share price.
- All in all we, expect Cewe to confirm its guidance for the full year. As of today, the tax rate on photo books will not be raised in 2016.

in m EUR	2014	2015	2016e	2017e	2018e
Sales	523.8	554.2	570.8	587.9	605.6
EBIT	32.6	36.8	42.6	46.3	50.2
EBIT margin	6.2%	6.6%	7.5%	7.9%	8.3%
Net financial debt	-23.5	-15.0	-28.9	-46.3	-66.0
Free cash-flow	28.1	4.4	22.8	29.2	31.8
EPS (in EUR)	3.08	3.24	4.03	4.38	4.75
DPS (in EUR)	1.55	1.60	1.65	1.70	1.75
Dividend yield	3.0%	2.9%	3.0%	3.1%	3.2%
EV/Sales	0.7	0.7	0.7	0.6	0.6
EV/EBIT	11.0	10.8	8.9	7.8	6.8
Price Earnings ratio (P/E)	16.7	16.8	13.5	12.4	11.4

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 (05/05/2016): 54.30 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
06/04/2016	58.47 EUR	Buy	65.00 EUR
12/02/2016	47.40 EUR	Buy	60.00 EUR
07/08/2015	51.02 EUR	Hold	60.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/04/2016)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	53.0%	60.0%
Hold	41.0%	40.0%
Sell	6.0%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
CEWE Stiftung & Co. KGaA	2

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06 May 2016

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