



CEWE Stiftung & Co. KGaA

Numbers support positive view

12/05/2016

Buy
65.00 EUR

Close (11/05/2016) 56.50 EUR

Bloomberg: CWC WKN: 540390

Sector Consumer

Share price performance

52 week high 59.75

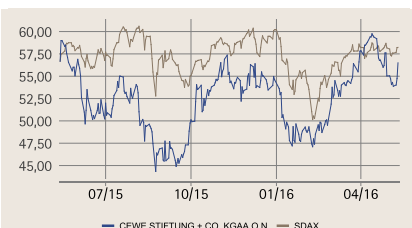
52 week low 44.34

Compared to SDAX

YTD 6.7%

1 month -4.9%

12 months -3.8%



Share data

Market Cap (m EUR) 402.3

No. of shares (m) 7.1

Free float 69.9%

Trading vol. Ø (m EUR) 0.66

Next event

11/08/2016 Quarterly Results

Analyst

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See end of document for disclaimer.

CEWE had an excellent start to 2016 with double-digit growth figures in the Photofinishing and Commercial Online Printing segments. We confirm our positive view on the stock as the numbers clearly support our rating.

Q1 IN A NUTSHELL

[_€ m]	Q1 2016	BHL Q1 2016e	Consensus Q1 2016e	Q1 2015	% yoy
Fotofinishing					
Sales	85,5	83,9	---	75,5	13,2%
EBIT	0,9	0,7	---	-0,8	---
Retail					
Sales	13,5	13,2	---	13,4	0,7%
EBIT	-0,4	-0,4	---	-1,1	---
Commercial Online-Print					
Sales	20,4	19,7	---	17,9	14,0%
EBIT	0,5	0,2	---	-1,3	---
Group					
Sales	119,2	116,9	---	106,8	11,6%
EBIT	0,9	0,1	---	-3,5	---

Source: Company information, Factset, Bankhaus Lampe Research

- For the first time in its history, the company posted positive EBIT for a first quarter – a very positive point.
- The Photofinishing segment was clearly one of the key drivers in Q1. The earnings improvements are due to a stronger brand business in the last few years, in our view.
- Retail earnings also improved as no restructuring costs were hindering growth.
- Commercial Online Printing posted double-digit sales growth, which is very positive, in our view. In addition, this segment also showed a positive EBIT figure already in Q1.
- As expected, CEWE confirmed its guidance for the full year.

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%	2.9%	3.0%	3.1%
EV/Sales	0.7	0.7	0.7	0.6	0.6
EV/EBIT	11.0	10.8	9.3	8.2	7.2
Price Earnings ratio (P/E)	16.7	16.8	14.0	12.9	11.9

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 (11/05/2016): 56.50 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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