

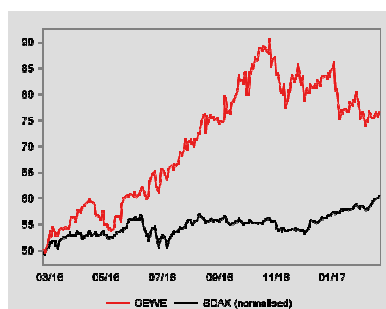
Buy EUR 83.00 Price EUR 76.50 Upside 8.5 %	Value Indicators: EUR DCF: 83.23 FCF-Value Potential 2017e: 76.24	Share data: Bloomberg: CWC GR Reuters: CWCG ISIN: DE0005403901	Description: Europe's leading industrial photofinisher and provider of personalised photo products
	Market Snapshot: EUR m Market cap: 546 No. of shares (m): 7 EV: 524 Freefloat MC: 381	Shareholders: Freefloat: 69.8 % Comm. heirs Senator: 27.4 % CeWe Stiftung & Co. KGaA: 2.8 %	Risk Profile (WRe): 2016e Beta: 1.0 Price / Book: 2.8 x Equity Ratio: 51 %

First Glance: Strong Q4 sales growth of 6%, EBIT slightly better than assumed

Cewe announced preliminary Q4/FY 2016 key numbers:

	Q4 2016	Q4 2015	y/y	FY 2016	FY 2015	y/y	FY 2016e	consensus
Sales	228.5	215.8	5.9%	593.1	554.2	7.0%	587.0	586.7
EBIT	42.9	40.8	5.1%	47.0	36.4	29.1%	44.8	45.6
EBT	41.7	40.8	2.3%	46.2	35.9	28.7%	44.5	45.6

- With a sales increase of almost 6% in Q4, Cewe could achieve a dynamic growth rate in the important Christmas season (Q4 sales account for ca. 40% of FY sales). This underpins Cewe's successful strategy with a focus on added-value products (especially Photobooks) and a high customer loyalty.
- After the strong earnings improvement during the course of the year, Cewe's FY 2016 EBIT came in at EUR 47m, slightly above the target range (EUR 40-46m) and expectations. This development was supported by the EBIT recovery outside the core Photofinishing business (Online Printing + Retail).
- Moreover, the group stated that the strong financial position (equity ratio improved to 53.8%) and the EBIT increase should be a good basis for a continuation of the steady dividend growth.
- Final 2016 results in detail as well as the 2017 guidance will be released on March 23.
- Conclusion:** Q4 numbers underline Cewe's positive business performance and the convincing strategy in the Photofinishing market. After the significant EBIT increase in 2016 we would not expect another double-digit EBIT growth in the current year. However, we regard the Online Printing segment to be a remarkable sales and earnings driver for the coming years. From the higher VAT rate on Photobooks in Germany we expect no significant impact on the volumes sold.



Rel. Performance vs SDAX:	
1 month:	-7.0 %
6 months:	-8.0 %
Year to date:	-16.2 %
Trailing 12 months:	34.3 %

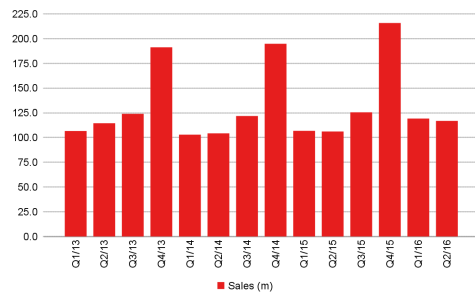
Company events:	
23.03.17	FY 2016
11.05.17	Q1
31.05.17	AGM
10.08.17	Q2

	CAGR (15-18e)	2012	2013	2014	2015	2016e	2017e	2018e
FY End: 31.12. in EUR m								
Sales	4.1 %	507	536	524	554	587	604	625
Change Sales yoy		8.1 %	5.7 %	-2.3 %	5.8 %	5.9 %	2.9 %	3.5 %
Gross profit margin		63.6 %	64.8 %	69.2 %	71.0 %	71.0 %	71.0 %	71.2 %
EBITDA	6.2 %	66	67	66	75	84	86	90
Margin		13.0 %	12.5 %	12.6 %	13.6 %	14.4 %	14.2 %	14.4 %
EBIT	11.5 %	29	29	33	37	45	47	51
Margin		5.7 %	5.4 %	6.2 %	6.6 %	7.6 %	7.7 %	8.2 %
Net income	15.0 %	19	22	21	23	32	32	35
EPS	14.9 %	2.88	3.39	3.07	3.24	4.46	4.53	4.92
EPS adj.	14.9 %	2.88	3.51	3.00	3.24	4.46	4.53	4.92
DPS	5.9 %	1.45	1.50	1.55	1.60	1.70	1.80	1.90
Dividend Yield		4.6 %	4.2 %	3.0 %	3.0 %	2.2 %	2.4 %	2.5 %
FCFPS		2.69	1.98	5.14	1.38	4.66	2.93	3.48
FCF / Market cap		8.6 %	5.5 %	10.0 %	2.6 %	6.1 %	3.8 %	4.5 %
EV / Sales		0.5 x	0.5 x	0.7 x	0.7 x	0.9 x	0.9 x	0.8 x
EV / EBITDA		3.6 x	4.1 x	5.4 x	5.2 x	6.3 x	6.1 x	5.7 x
EV / EBIT		8.3 x	9.5 x	11.0 x	10.6 x	11.9 x	11.2 x	10.1 x
P / E		10.9 x	10.6 x	16.7 x	16.6 x	17.2 x	16.9 x	15.5 x
P / E adj.		10.9 x	10.2 x	17.1 x	16.6 x	17.2 x	16.9 x	15.5 x
FCF Yield Potential		12.2 %	8.7 %	5.2 %	5.4 %	6.8 %	6.9 %	7.6 %
Net Debt		36	41	2	8	-13	-21	-33
ROCE (NOPAT)		13.9 %	13.6 %	12.3 %	12.4 %	16.8 %	17.4 %	18.7 %
Guidance:		2016: sales EUR 555-575m; EBIT EUR 40-46m; EPS EUR 4.00-4.57						

Analyst

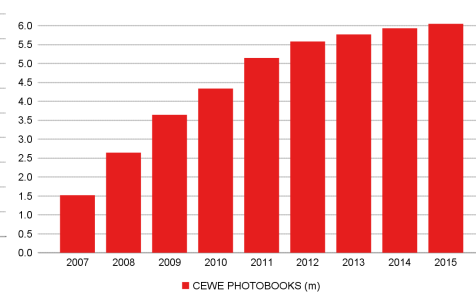
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Sales development
in EUR m



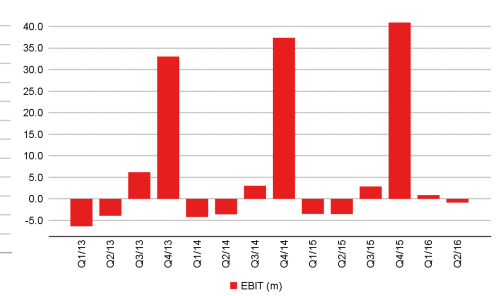
Source: Warburg Research

Number of CEWE PHOTOBOOKS
2015; in million units



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

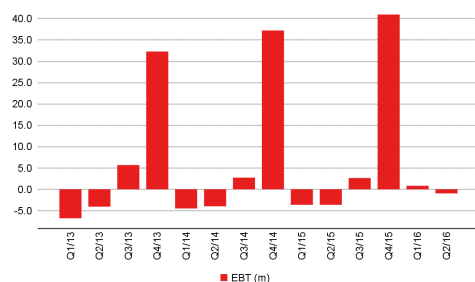
Company Background

- CEWE is Europe's largest industrial photofinisher with a market share of ca. 40%. The company mainly develops digital photographs in 11 photo labs across Europe.
- The company also sells personalised photo products and, with the CEWE PHOTOBOOK, is the best-known and most successful producer of photobooks.
- In online printing the company is expected to generate c. EUR 100m of sales by FY 2016 and contribute to CEWE's earnings after a ramp-up phase of several years
- With more than 30,000 trade customers (drug stores, photographic retailers, internet partners) CEWE has the broadest base of outlets of all photo finishers, supplying a total of 24 European countries.
- The products are distributed via trading partners and over the internet.

Competitive Quality

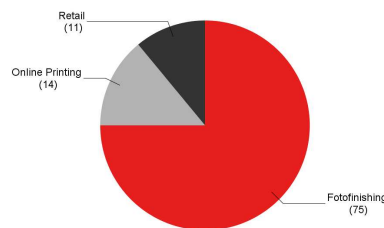
- CEWE has the broadest distribution base of all industrial photofinishers. The dense regional presence facilitates rapid market-share gains.
- CEWE's distribution base of more than 34,000 trade partners represents a significant competitive advantage in the digital market, as it enables broad market coverage.
- The company has a clear competitive advantage with its high brand awareness in Europe (mainly thanks to the CEWE PHOTOBOOK).
- The broad range of products and the resulting higher revenues per photo secure CEWE's strong market position in a highly competitive market.
- The digital online printing business broadens the company's customer base and offers synergies with the company's ancestral business

EBT development
in EUR m



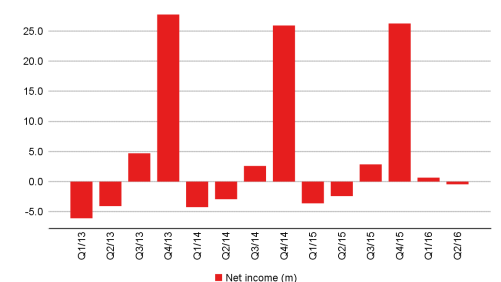
Source: Warburg Research

Sales by segments
2015; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	
Sales	587	604	625	647	669	691	713	735	757	778	798	815	832	
Sales change	5.9 %	2.9 %	3.5 %	3.5 %	3.4 %	3.3 %	3.2 %	3.1 %	3.0 %	2.8 %	2.5 %	2.2 %	2.0 %	1.5 %
EBIT	45	47	51	54	57	59	61	59	61	58	60	57	54	
EBIT-margin	7.6 %	7.7 %	8.2 %	8.4 %	8.5 %	8.5 %	8.5 %	8.0 %	8.0 %	7.5 %	7.5 %	7.0 %	6.5 %	
Tax rate (EBT)	29.0 %	31.0 %	31.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	32	32	35	38	40	41	42	41	42	41	42	40	38	
Depreciation	40	39	39	40	41	43	44	44	45	47	48	49	50	
in % of Sales	6.7 %	6.4 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	
Changes in provisions	1	1	1	1	0	1	0	0	0	0	0	0	0	
Change in Liquidity from														
- Working Capital	-11	4	3	3	3	3	2	2	2	2	2	1	1	
- Capex	40	40	40	41	42	43	44	44	45	47	48	49	50	
Capex in % of Sales	6.8 %	6.6 %	6.4 %	6.4 %	6.3 %	6.2 %	6.2 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	43	28	32	34	36	39	41	39	41	39	40	38	36	34
PV of FCF	42	25	27	28	27	27	27	24	23	21	20	18	16	276
share of PVs	15.80 %			38.35 %										45.85 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	2.50 %	Financial Strength	1.00
Cost of debt (after tax)	3.4 %	Liquidity (share)	1.00
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	1.00
		Others	1.00
WACC	6.91 %	Beta	1.00

Valuation (m)

Present values 2028e	326		
Terminal Value	276		
Financial liabilities	7		
Pension liabilities	23		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	22	No. of shares (m)	7.1
Equity Value	594	Value per share (EUR)	83.23

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.19	7.9 %	68.34	69.29	70.30	71.39	72.57	73.85	75.24	1.19	7.9 %	55.34	60.69	66.04	71.39	76.74	82.09	87.44
1.09	7.4 %	73.06	74.22	75.47	76.82	78.30	79.91	81.68	1.09	7.4 %	59.42	65.22	71.02	76.82	82.63	88.43	94.23
1.05	7.2 %	75.69	76.98	78.37	79.89	81.55	83.37	85.37	1.05	7.2 %	61.71	67.77	73.83	79.89	85.95	92.01	98.06
1.00	6.9 %	78.53	79.96	81.53	83.23	85.10	87.17	89.45	1.00	6.9 %	64.22	70.56	76.89	83.23	89.57	95.91	102.25
0.95	6.7 %	81.60	83.21	84.96	86.89	89.01	91.37	93.98	0.95	6.7 %	66.96	73.60	80.25	86.89	93.54	100.18	106.83
0.91	6.4 %	84.94	86.74	88.73	90.91	93.33	96.03	99.05	0.91	6.4 %	69.96	76.95	83.93	90.91	97.90	104.88	111.86
0.81	5.9 %	92.56	94.88	97.44	100.30	103.50	107.11	111.21	0.81	5.9 %	76.97	84.75	92.52	100.30	108.07	115.85	123.62

- EBIT margin potential in online printing. Mid-term margin decline assumed due to highly competitive market

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2012	2013	2014	2015	2016e	2017e	2018e	
Net Income before minorities	19	22	21	23	32	32	35	
+ Depreciation + Amortisation	37	38	33	38	40	39	39	
- Net Interest Income	-2	-2	-1	0	0	0	0	
- Maintenance Capex	29	38	38	41	35	35	35	
+ Other	0	0	0	0	0	0	0	
= Free Cash Flow Potential	29	24	19	21	36	36	39	
Free Cash Flow Yield Potential	12.2 %	8.7 %	5.2 %	5.4 %	6.8 %	6.9 %	7.6 %	
WACC	6.91 %	6.91 %	6.91 %	6.91 %	6.91 %	6.91 %	6.91 %	
= Enterprise Value (EV)	241	276	359	391	534	526	514	
= Fair Enterprise Value	425	349	268	303	527	523	568	
- Net Debt (Cash)	-15	-15	-15	-15	-37	-46	-58	
- Pension Liabilities	23	23	23	23	24	24	25	
- Other	0	0	0	0	0	0	0	
- Market value of minorities	0	0	0	0	0	0	0	
+ Market value of investments	0	0	0	0	0	0	0	
= Fair Market Capitalisation	417	342	260	295	540	544	601	
No. of shares (total) (m)	7	7	7	7	7	7	7	
= Fair value per share (EUR)	63.64	52.14	37.39	41.38	75.71	76.24	84.20	
premium (-) / discount (+) in %					-1.0 %	-0.3 %	10.1 %	
Sensitivity Fair value per Share (EUR)								
	9.91 %	40.42	33.05	25.07	28.52	53.35	54.07	60.10
	8.91 %	45.08	36.89	28.00	31.84	59.13	59.80	66.33
	7.91 %	50.92	41.69	31.68	36.01	66.37	66.98	74.14
WACC	6.91 %	58.45	47.88	36.43	41.38	75.71	76.24	84.20
	5.91 %	68.53	56.17	42.78	48.57	88.21	88.64	97.68
	4.91 %	82.71	67.84	51.72	58.69	105.79	106.09	116.64
	3.91 %	104.15	85.48	65.24	73.99	132.37	132.45	145.31

- After transition from analog to digital high cash flow can be expected in the future
- Significant upside potential despite high investments in particular for the online printing business

Peer Group									
Company	Price	EV / Sales	EV / EBITDA		EV / EBIT		P / E		EPS CAGR
Prices in local currency		16e	16e	17e	16e	17e	16e	17e	(15-18e)
Average		-	-	-	-	-	-	-	-
Median		-	-	-	-	-	-	-	-
CEWE	76.50	0.9	6.3	6.1	11.9	11.2	17.2	16.9	14.9 %
Delta to median		-	-	-	-	-	-	-	-

Valuation								
	2012	2013	2014	2015	2016e	2017e	2018e	
Price / Book	1.6 x	1.6 x	2.1 x	2.0 x	2.8 x	2.6 x	2.5 x	
Book value per share ex intangibles	12.27	14.84	18.56	18.64	19.88	21.54	23.49	
EV / Sales	0.5 x	0.5 x	0.7 x	0.7 x	0.9 x	0.9 x	0.8 x	
EV / EBITDA	3.6 x	4.1 x	5.4 x	5.2 x	6.3 x	6.1 x	5.7 x	
EV / EBIT	8.3 x	9.5 x	11.0 x	10.6 x	11.9 x	11.2 x	10.1 x	
EV / EBIT adj.*	8.3 x	9.5 x	11.0 x	10.6 x	11.9 x	11.2 x	10.1 x	
P / FCF	11.7 x	18.1 x	10.0 x	38.7 x	16.4 x	26.1 x	22.0 x	
P / E	10.9 x	10.6 x	16.7 x	16.6 x	17.2 x	16.9 x	15.5 x	
P / E adj.*	10.9 x	10.2 x	17.1 x	16.6 x	17.2 x	16.9 x	15.5 x	
Dividend Yield	4.6 %	4.2 %	3.0 %	3.0 %	2.2 %	2.4 %	2.5 %	
Free Cash Flow Yield Potential	12.2 %	8.7 %	5.2 %	5.4 %	6.8 %	6.9 %	7.6 %	

*Adjustments made for: -

Company Specific Items							
	2012	2013	2014	2015	2016e	2017e	2018e
CEWE PHOTOBOOKS	5,581,000	5,768,000	5,929,000	6,048,000	6,250,000	6,350,000	6,500,000

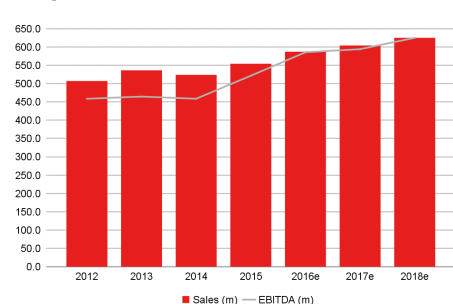
Consolidated profit & loss

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Sales	507	536	524	554	587	604	625
Change Sales yoy	8.1 %	5.7 %	-2.3 %	5.8 %	5.9 %	2.9 %	3.5 %
Increase / decrease in inventory	0	0	0	0	0	0	0
Own work capitalised	1	1	1	1	0	0	0
Total Sales	508	538	525	555	587	604	625
Material expenses	186	190	163	162	170	175	180
Gross profit	323	348	362	393	417	429	445
<i>Gross profit margin</i>	<i>63.6 %</i>	<i>64.8 %</i>	<i>69.2 %</i>	<i>71.0 %</i>	<i>71.0 %</i>	<i>71.0 %</i>	<i>71.2 %</i>
Personnel expenses	122	130	136	144	151	155	159
Other operating income	30	25	21	20	22	20	20
Other operating expenses	164	175	182	194	203	209	216
Unfrequent items	0	0	0	0	0	0	0
EBITDA	66	67	66	75	84	86	90
<i>Margin</i>	<i>13.0 %</i>	<i>12.5 %</i>	<i>12.6 %</i>	<i>13.6 %</i>	<i>14.4 %</i>	<i>14.2 %</i>	<i>14.4 %</i>
Depreciation of fixed assets	37	38	33	38	40	39	39
EBITA	29	29	33	37	45	47	51
Amortisation of intangible assets	0	0	0	0	0	0	0
Goodwill amortisation	0	0	0	0	0	0	0
EBIT	29	29	33	37	45	47	51
<i>Margin</i>	<i>5.7 %</i>	<i>5.4 %</i>	<i>6.2 %</i>	<i>6.6 %</i>	<i>7.6 %</i>	<i>7.7 %</i>	<i>8.2 %</i>
EBIT adj.	29	29	33	37	45	47	51
Interest income	0	0	0	0	0	0	0
Interest expenses	3	2	1	1	0	0	0
Other financial income (loss)	0	0	0	0	0	0	0
EBT	27	27	31	36	45	47	51
<i>Margin</i>	<i>5.3 %</i>	<i>5.1 %</i>	<i>6.0 %</i>	<i>6.6 %</i>	<i>7.6 %</i>	<i>7.7 %</i>	<i>8.1 %</i>
Total taxes	8	5	10	14	13	14	16
Net income from continuing operations	19	22	21	23	32	32	35
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
Net income before minorities	19	22	21	23	32	32	35
Minority interest	0	0	0	0	0	0	0
Net income	19	22	21	23	32	32	35
<i>Margin</i>	<i>3.7 %</i>	<i>4.2 %</i>	<i>4.1 %</i>	<i>4.2 %</i>	<i>5.4 %</i>	<i>5.4 %</i>	<i>5.6 %</i>
Number of shares, average	7	7	7	7	7	7	7
EPS	2.88	3.39	3.07	3.24	4.46	4.53	4.92
EPS adj.	2.88	3.51	3.00	3.24	4.46	4.53	4.92

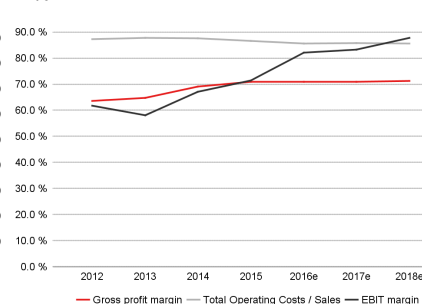
*Adjustments made for:

Guidance: 2016: sales EUR 555-575m; EBIT EUR 38-44m; EPS EUR 3.81-4.38
Financial Ratios

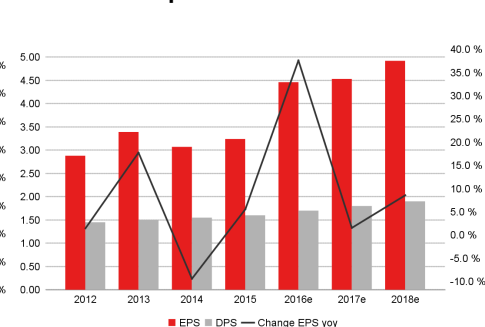
	2012	2013	2014	2015	2016e	2017e	2018e
Total Operating Costs / Sales	87.2 %	87.8 %	87.6 %	86.7 %	85.6 %	85.8 %	85.6 %
Operating Leverage	-0.4 x	-0.1 x	-5.5 x	2.2 x	3.7 x	1.5 x	2.6 x
EBITDA / Interest expenses	26.2 x	30.9 x	46.6 x	86.3 x	210.8 x	285.1 x	300.0 x
Tax rate (EBT)	29.9 %	17.7 %	32.1 %	37.4 %	29.0 %	31.0 %	31.0 %
Dividend Payout Ratio	50.3 %	44.2 %	50.4 %	50.2 %	38.5 %	40.1 %	38.8 %
Sales per Employee	153,461	166,123	162,715	162,044	167,451	168,098	169,700

Sales, EBITDA
in EUR m


Source: Warburg Research

Operating Performance
in %


Source: Warburg Research

Performance per Share


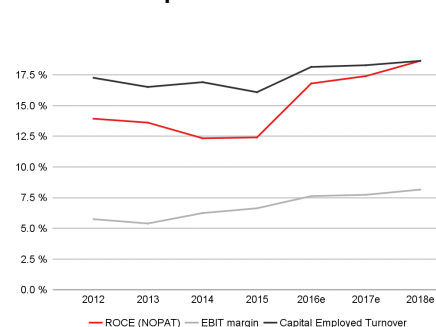
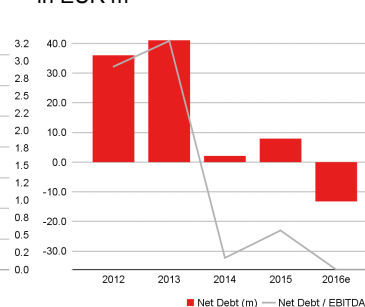
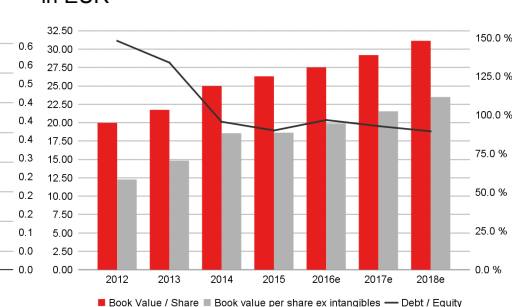
Source: Warburg Research

Consolidated balance sheet

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Assets							
Goodwill and other intangible assets	50	45	45	55	55	55	55
thereof other intangible assets	22	20	19	17	17	17	17
thereof Goodwill	29	25	25	37	37	37	37
Property, plant and equipment	101	99	103	109	109	110	111
Financial assets	5	5	8	9	9	9	9
Other long-term assets	0	0	0	0	0	0	0
Fixed assets	156	149	155	173	173	174	175
Inventories	63	59	49	51	56	60	63
Accounts receivable	72	89	84	90	96	99	103
Liquid assets	13	14	28	22	43	50	62
Other short-term assets	19	23	23	20	20	19	19
Current assets	167	185	184	183	214	228	247
Total Assets	324	334	340	356	387	403	422
Liabilities and shareholders' equity							
Subscribed capital	19	19	19	19	19	19	19
Capital reserve	56	57	69	70	70	70	70
Retained earnings	79	90	94	106	115	127	141
Other equity components	-24	-23	-9	-7	-8	-8	-8
Shareholders' equity	130	143	174	188	197	209	223
Minority interest	0	0	0	0	0	0	0
Total equity	130	143	174	187	197	209	223
Provisions	27	27	30	33	34	35	36
thereof provisions for pensions and similar obligations	18	18	22	23	24	24	25
Financial liabilities (total)	31	37	8	7	6	5	5
thereof short-term financial liabilities	8	26	2	5	4	3	3
Accounts payable	102	101	96	91	113	116	120
Other liabilities	32	26	32	38	38	39	39
Liabilities	193	191	166	168	191	194	199
Total liabilities and shareholders' equity	324	334	340	356	387	403	422

Financial Ratios

	2012	2013	2014	2015	2016e	2017e	2018e
Efficiency of Capital Employment							
Operating Assets Turnover	3.8 x	3.7 x	3.8 x	3.5 x	4.0 x	3.9 x	4.0 x
Capital Employed Turnover	3.0 x	2.9 x	3.0 x	2.8 x	3.2 x	3.2 x	3.3 x
ROA	12.1 %	14.9 %	13.7 %	13.4 %	18.4 %	18.6 %	20.0 %
Return on Capital							
ROCE (NOPAT)	13.9 %	13.6 %	12.3 %	12.4 %	16.8 %	17.4 %	18.7 %
ROE	15.0 %	16.3 %	13.5 %	12.8 %	16.6 %	16.0 %	16.3 %
Adj. ROE	15.0 %	16.9 %	13.2 %	12.8 %	16.6 %	16.0 %	16.3 %
Balance sheet quality							
Net Debt	36	41	2	8	-13	-21	-33
Net Financial Debt	18	23	-20	-15	-37	-46	-58
Net Gearing	27.6 %	28.8 %	1.2 %	4.2 %	-6.7 %	-10.2 %	-14.6 %
Net Fin. Debt / EBITDA	27.4 %	34.6 %	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	20.0	21.7	25.0	26.3	27.5	29.2	31.1
Book value per share ex intangibles	12.3	14.8	18.6	18.6	19.9	21.5	23.5

ROCE Development

Net debt in EUR m

Book Value per Share in EUR


Source: Warburg Research

Source: Warburg Research

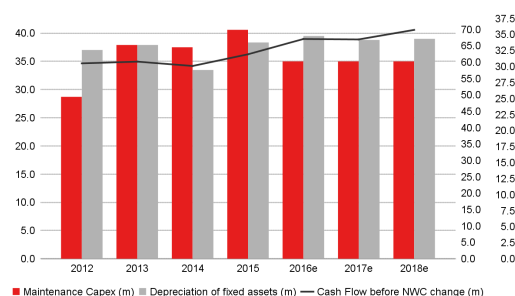
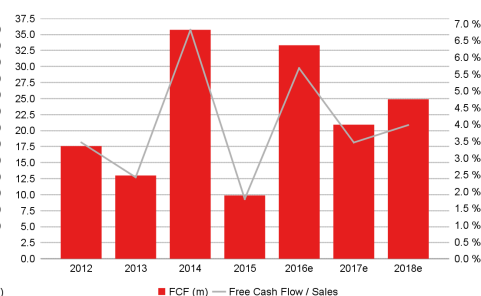
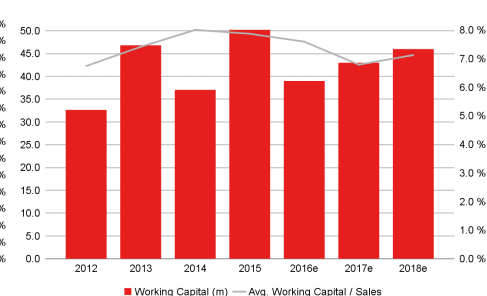
Source: Warburg Research

Consolidated cash flow statement

In EUR m	2012	2013	2014	2015	2016e	2017e	2018e
Net income	19	22	21	23	32	32	35
Depreciation of fixed assets	37	38	33	38	40	39	39
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0	0	0
Increase/decrease in long-term provisions	6	0	4	1	1	1	1
Other non-cash income and expenses	-3	0	0	0	-5	-5	-5
Cash Flow before NWC change	60	60	59	62	67	67	70
Increase / decrease in inventory	-15	4	10	-2	-5	-4	-3
Increase / decrease in accounts receivable	6	-17	4	-6	-6	-3	-4
Increase / decrease in accounts payable	12	-1	-5	-5	22	3	4
Increase / decrease in other working capital positions	-11	2	3	0	-5	-2	-2
Increase / decrease in working capital (total)	-8	-12	12	-13	6	-6	-5
Net cash provided by operating activities [1]	51	48	71	49	73	61	65
Investments in intangible assets	0	0	0	0	0	0	0
Investments in property, plant and equipment	-34	-35	-35	-39	-40	-40	-40
Payments for acquisitions	-24	0	0	-5	0	0	0
Financial investments	0	-1	-2	0	0	0	0
Income from asset disposals	12	1	-6	0	0	0	0
Net cash provided by investing activities [2]	-46	-35	-43	-44	-40	-40	-40
Change in financial liabilities	-14	-3	-26	-1	-1	-1	0
Dividends paid	-9	-9	-11	-11	-11	-12	-13
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	0	0	-3	0	0	0	0
Other	0	0	25	0	0	0	0
Net cash provided by financing activities [3]	-23	-12	-14	-12	-12	-13	-13
Change in liquid funds [1]+[2]+[3]	-18	1	14	-7	21	8	12
Effects of exchange-rate changes on cash	0	0	0	0	0	0	0
Cash and cash equivalent at end of period	13	14	28	20	43	50	62

Financial Ratios

	2012	2013	2014	2015	2016e	2017e	2018e
Cash Flow							
FCF	18	13	36	10	33	21	25
Free Cash Flow / Sales	3.5 %	2.4 %	6.8 %	1.8 %	5.7 %	3.5 %	4.0 %
Free Cash Flow Potential	29	24	19	21	36	36	39
Free Cash Flow / Net Profit	93.3 %	58.3 %	167.3 %	42.8 %	104.4 %	64.5 %	70.8 %
Interest Received / Avg. Cash	1.5 %	2.2 %	1.2 %	1.7 %	0.3 %	0.2 %	0.2 %
Interest Paid / Avg. Debt	9.1 %	6.3 %	6.3 %	12.0 %	6.4 %	5.8 %	6.6 %
Management of Funds							
Investment ratio	6.7 %	6.6 %	6.8 %	7.1 %	6.8 %	6.6 %	6.4 %
Maint. Capex / Sales	5.7 %	7.1 %	7.2 %	7.3 %	6.0 %	5.8 %	5.6 %
Capex / Dep	91.2 %	93.0 %	105.9 %	102.7 %	101.3 %	103.1 %	102.6 %
Avg. Working Capital / Sales	6.7 %	7.4 %	8.0 %	7.9 %	7.6 %	6.8 %	7.1 %
Trade Debtors / Trade Creditors	70.6 %	87.8 %	87.7 %	99.5 %	85.0 %	85.3 %	85.8 %
Inventory Turnover	3.0 x	3.2 x	3.3 x	3.2 x	3.0 x	2.9 x	2.9 x
Receivables collection period (days)	52	60	59	60	60	60	60
Payables payment period (days)	201	194	216	205	242	242	243
Cash conversion cycle (Days)	-60	-62	-88	-72	-103	-96	-95

CAPEX and Cash Flow
in EUR m

Free Cash Flow Generation

Working Capital


Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
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“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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Rating	Number of stocks	% of Universe
Buy	118	61
Hold	65	34
Sell	9	5
Rating suspended	1	1
Total	193	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	27	73
Hold	8	22
Sell	1	3
Rating suspended	1	3
Total	37	100

PRICE AND RATING HISTORY CEWE AS OF 22.02.2017


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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