

# SEMI-ANNUAL REPORT



2023



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# KEY INDICATORS CEWE GROUP 2023



21

EUROPEAN COUNTRIES



27

DISTRIBUTION OFFICES

741.0

MILLION EUROS  
TURNOVER IN 2022



5.85

MILLION  
CEWE  
PHOTOBOOKS  
IN 2022



4,000

EMPLOYEES



14

PRODUCTION PLANTS



>22,000

CEWE PHOTOSTATIONS



20,000

POS RETAILERS SUPPLIED



2.28

BILLION  
PHOTOS PRODUCED  
IN 2022

# HIGHLIGHTS Q2 2023

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

- » Continued growth in Photofinishing and Commercial Online Printing leads to Group turnover of 142.3 million euros in Q2 (Q2 2022: 132.0 million euros, +7.8%)
- » In the first six months of 2023, CEWE thus achieved a turnover figure of 299.9 million euros (H1 2022: 270.9 million euros, +10.7%)
- » Group EBIT in Q2 traditionally negative due to seasonal factors; owing to two one-off factors, improved Q2 operating EBIT of –4.0 million euros (Q2 2022: –4.4 million euros) leads to reported Q2 EBIT of –5.2 million euros
- » In the first six months of 2023, CEWE clearly outperforms the previous year with a Group EBIT of –0.1 million euros and an improvement of 2.2 million euros (EBIT in H1 2022: –2.3 million euros) despite the two one-off factors

## PHOTOFINISHING BUSINESS UNIT

- » Photofinishing achieves 9.0% growth in Q2: turnover increases to 110.4 million euros (Q2 2022: 101.2 million euros)
- » Q2 photo volume increases by +7.5% to 441 million, CEWE PHOTOBOOK sales by +4.5% to 1.077 million copies
- » Turnover in H1 2023 rises by 10.6% to 236.5 million euros (H1 2022: 213.8 million euros)
- » Q2 Photofinishing EBIT, which is traditionally negative due to seasonal factors, improves to –4.1 million euros (Q2 2022: –4.3 million euros) despite one-off factor

- » H1 earnings have a head start of +2.9 million euros on the previous year: EBIT in H1 2023 reaches 1.0 million euros following –1.8 million euros in H1 2022

## COMMERCIAL ONLINE PRINTING BUSINESS UNIT

- » Commercial Online Printing continues to grow: Q2 turnover increases to 21.8 million euros (Q2 2022: 20.8 million euros)
- » COP turnover in H1 2023 rises by 14.8% to 44.4 million euros (H1 2022: 38.7 million euros)
- » Optimised cost structure provides further sustained improvement in income situation, Q2 EBIT rises to 0.4 million euros (Q2 2022: 0.1 million euros)
- » EBIT also improves by 1.0 million euros to 0.8 million euros in H1 2023 (EBIT H1 2022: –0.2 million euros)

## RETAIL BUSINESS UNIT

- » CEWE RETAIL turnover in Q2 close to previous year's level: 7.8 million euros (Q2 2022: 7.9 million euros)
- » CEWE RETAIL turnover in H1 2023 increases slightly by +1.1% to 14.6 million euros (H1 2022: 14.4 million euros)
- » Q2 EBIT, which is traditionally negative due to seasonal factors, improves to –0.1 million euros (Q2 2022: –0.2 million euros)
- » In H1 2023, Retail thus contributes a slightly improved EBIT to the Group earnings: –0.3 million euros (H1 2022: –0.4 million euros)

## ASSET AND FINANCIAL POSITION

- » Slight increase in total assets by 6.2 million euros to 521.7 million euros (+1.2%)
- » Capital employed also practically unchanged at 426.8 million euros
- » Equity ratio rises further to a healthy 66.1% (Q2 2022: 60.0%)
- » Rise in equity (+35.4 million euros) sustains reduction of gross financial liabilities (–38.7 million euros)

## CASH FLOW

- » Operating cash flow up by 6.9 million euros on Q2 2022, reaching 2.6 million euros and returning to positive levels
- » Net cash used in investing activities down 1.6 million euros as no special investments are made
- » Improvement in cash flow from operating activities results in 8.6 million euro increase in free cash flow (Q2 2022: –18.7 million euros)

## RETURN ON CAPITAL EMPLOYED

- » Positive earnings trend increases ROCE to 17.8%
- » Average capital employed rises to 437.7 million euros

## **TO THE SHAREHOLDERS**

- 5** Foreword by the Board of Management
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# THE BOARD OF MANAGEMENT



From left to right:  
Carsten Heitkamp, Thomas Mehls, Dr Reiner Fageth, Yvonne Rostock,  
Patrick Berkhouwer, Christina Sontheim-Leven, Dr Olaf Holzkämper

Dear Shareholders,

### Turnover growth continues in Q2 of the year

A year ago we reported in the second quarter that “travel has increasingly got back to normal ... This had an increasingly positive impact on Photofinishing turnover over the course of the second quarter.” After turnover in the first quarter of this year was up +13.5% on the coronavirus-hit Q1 of the previous year, we can now report a further increase in turnover of +7.8% on an already normalised second quarter of 2022. Post-coronavirus, your company CEWE also keeps growing at the international level.

### Q2 2023 thus reports a solid earnings trend

We have turned this turnover growth into an increase in our operating result: Group EBIT before one-off factors has improved by 0.4 million euros to –4.0 million euros. Due to seasonal factors, the second quarter traditionally makes a negative contribution to the profit for the year.

In addition, non-operating one-off factors in the second quarter, including an accrual of 0.5 million euros for software licence fees and depreciation of a machine at our company futalis in the amount 0.8 million euros resulted in a reported EBIT of –5.2 million euros, which was slightly below the reported EBIT of the previous year. Even including these special effects, our earnings at the end of the first half of 2023 are still ahead with an increase of 2.2 million euros compared to the previous year. This puts us in an excellent position for the second half of the year!

# FOREWORD

**Photofinishing increases turnover and income**

Our core business segment delivered another excellent performance in the second quarter of the year: Photofinishing turnover rose by +9.0%. The EBIT contribution in Q2, which is always negative due to seasonal factors, increased by +0.2 million euros year-on-year. In operating terms, after taking into account the above-mentioned one-off software licence fee factor incurred in the Photofinishing business unit, this represents an improvement of +0.7 million euros.

**Commercial Online Printing continues to grow and improves earnings**

Commercial Online Printing is also on course to reach pre-coronavirus levels. Turnover in the second quarter of 2023 has increased again by +4.7% year-on-year and EBIT has risen from 0.1 to 0.4 million euros due to the long-term optimisation of the production and cost structure. This is a privileged position which the COP business unit has reached thanks to its “Best Price Guarantee” for customers.

**Retail turnover strategically stable with improved earnings**

Our hardware retail business is primarily a sales channel for photo products offered by our Photofinishing core business unit. In line with the strategy, the photo hardware turnover reported in the Retail business unit is therefore expected to remain stable, at the most. Hence the slight 0.1 million euro drop in Q2 2023 turnover compared to the same quarter of the previous year and the slight 0.1 million euro increase in earnings perfectly fit the pattern.

**Fourteenth consecutive dividend increase resolved at in-person general meeting**

After three virtual general meetings during the pandemic, we were delighted to finally meet you, our shareholders, in person again in June 2023. At the meeting, you took the key decision to allow CEWE’s dividend to rise for the 14th consecutive year.

**This puts CEWE right at the top of the ranking of dividend growers**

Such continuity is quite exceptional: only 2 out of the 644 listed companies in Germany have a longer history of consecutive dividend increases. Of these companies, 641 have raised their dividends less frequently in consecutive years – if they have raised them at all. The whole CEWE team is very proud to be among the TOP 3 companies whose dividends have increased year after year over such a long period.

**Enjoy great photo opportunities now and order fantastic photo products and gifts later, in time for Christmas**

It is still summer. The sun is shining and people are going on holidays and day trips. Increasingly, they use their ever-present mobiles as cameras when the opportunity arises. With autumn approaching and Christmas drawing nearer, many of these beautiful memories are being turned into photo products and

Christmas gifts from CEWE. Why not take advantage of our photo products to turn these beautiful summer photo opportunities into lasting memories?

My sincere thanks go to the entire CEWE team for the excellent results achieved in the first half of 2023. Achieving success requires a team effort that takes commitment from all employees. Our heartfelt thanks to all of them! Given our solid earnings head start, we are confident of meeting our annual targets. As always, the fourth quarter will be decisive in this respect. Together with the whole CEWE team, we are already well into the preparations for the all-important Christmas season. And we are very excited about it!

Your



Yvonne Rostock

# CEWE SHARE

## Small number of individual shares drive index performance in the first half of 2023

In H1 2023, both the DAX and the S&P 500 gained around 16%, while the SDAX was up around 12%. However, the rally was fuelled by a very small number of stocks, while the broad market suffered some significant losses. Investors focused on tech stocks and opted for equities with a particularly high level of liquidity as a way of quickly reducing investments in the face of ongoing exogenous uncertainties caused by persistent

inflation and the potential impact of geopolitical conflicts. In this complex situation, the trading volume of CEWE shares on the German stock exchanges fell to an average of 4,853 shares per day in the first half of 2023 (H1 2022: 10,837 shares per day). This was consistent with an average daily euro trading volume of approx. 0.5 million euros (H1 2022: 1.0 million euros). The price of the CEWE share nevertheless increased by a healthy +2.8% in the first half of 2023.

### CEWE share price in the period from Jan. 2, 2023 to July 31, 2023

in %

— CEWE share — DAX — SDAX

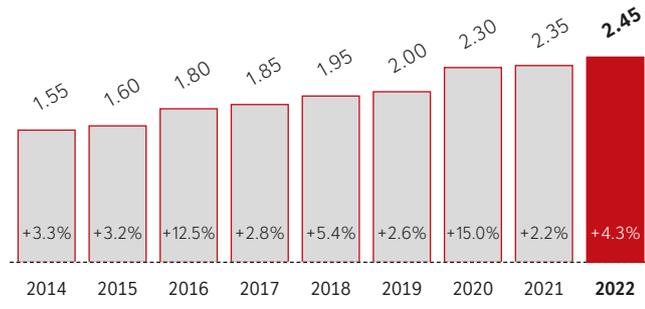
in euros



## General meeting resolves fourteenth consecutive dividend increase

The shareholders attending this year's CEWE general meeting on June 7, 2023 resolved a dividend increase to 2.45 euros per share conferring a dividend entitlement for the financial year 2022 (dividend in the previous year: 2.35 euros). This increase is the fourteenth consecutive dividend increase: since 2008, the dividend issued by CEWE has risen continuously, year-on-year, from 1.00 euro per share to the current figure of 2.45 euros. CEWE is thus one of the few German companies to have continuously increased its dividend over so many years: according to the recently published "Dividend Study Germany 2023" by DividendenAdel, isf Institute for Strategic Finance and Deutsche Schutzvereinigung für Wertpapierbesitz DSW, CEWE is thus among the top three of a total of 644 German listed companies which were evaluated on the basis of consecutive years of increasing dividends. This is a privileged position!

### Dividend in euros



## All analysts continue to have a positive view of the CEWE share

The analysts who follow CEWE continue to concur in their positive investment analysis and recommend the CEWE share as a "Buy". For an overview of these analysts and their recommendations, please go to the Investor Relations section of CEWE's website. [ir.cewe.de](https://ir.cewe.de)

### Overview of current analysts' assessments

	Analysts' assessments	Date
Hauk & Aufhäuser	Buy	July 06, 2023
Baader Bank	Buy	June 30, 2023
Montega Research	Buy	June 27, 2023
GSC Research	Buy	May 25, 2023
FMR Research	Buy	May 17, 2023
Kepler Cheuvreux	Buy	May 11, 2023
Warburg Research	Buy	May 11, 2023

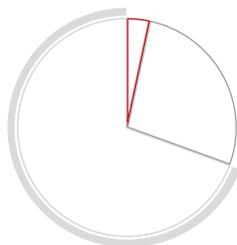
## CEWE still solidly positioned in the SDAX

Being ranked according to the "Market capitalisation" criterion plays a decisive role in determining whether a company is included in a German share index. On top of this, a company's share must have a certain minimum liquidity. The CEWE share meets the minimum liquidity requirements and was ranked in 142nd position in terms of market capitalisation at the end of June 2023 (June 2022: 151th position). The CEWE share thus remains a solid fixture on the SDAX index, which normally features shares with a ranking of 165 or higher.

### Stable shareholder structure strengthens management's strategy

The heirs of the company's founder Heinz Neumüller – Alexander Neumüller (AN Assets GmbH & Co. KG, Oldenburg) and Dr Caroline Neumüller (CN Assets GmbH & Co. KG, Oldenburg) – are CEWE's largest shareholders, with a combined interest of 27.1%, and the company has thus enjoyed a high level of ownership stability for many years now. The group of notifiable investors with shareholdings in excess of 5% also includes Union Investment Privatfonds GmbH.

**Shareholder structure as %**  
(100% = 7.4 million shares)



● CEWE Stiftung & Co. KGaA, Oldenburg	3.4
● The heirs of the company's founder Heinz Neumüller, Oldenburg	27.1
● Other shareholders	69.5

### The CEWE equity story: dependable stability, consistent rise in profitability, market leader and steady growth

What makes investing in CEWE particularly attractive? CEWE's equity story can be summed up in terms of the following four aspects:

#### (1) Dependable stability

Thanks to its strong equity ratio of more than 50%, a very solid net cash position at the end of the year, and demand which is largely independent of the general economic situation (above all in Photofinishing), CEWE is built on reliable and stable foundations.

#### (2) Consistent rise in profitability

Having steadily risen over the years and protected by a strong brand with a high level of brand recognition, the profit margin in the Photofinishing core business unit promises further growth in earnings for the entire CEWE Group in the future.

### (3) Market leader with steady growth

As a market leader and thus natural consolidator in the photo-finishing sector, CEWE enjoys growth opportunities in many European countries. Moreover, innovations and the continuous development of new products are in CEWE's DNA. The trend towards smartphone photography and the use of artificial intelligence in product configuration and ordering underpins this growth.

### (4) Strong results

With earnings rising consistently for many years and a very respectable return on capital employed (ROCE) (2022: 17.6%), CEWE has proven to be an extremely reliable payer of dividends: CEWE's dividend for the financial year 2022 represents a 14th consecutive dividend increase for its shareholders.

### CEWE is there for its shareholders

The clear objective of investor relations activities at CEWE is to notify all market participants promptly, comprehensively and equally in line with the principles of "Fair Disclosure", while achieving a high level of overall transparency.

CEWE thus naturally also publishes all of its annual and interim reports and capital market information online at [ir.cewe.de/publikationen](https://ir.cewe.de/publikationen). All analyst telephone conferences are made available as webcasts on CEWE's website. The current version of CEWE's company presentation is also available here.

The Board of Management and the Investor Relations team present the company at key capital market conferences and attend roadshows in financial centres. For details of the dates currently scheduled for 2023, please refer to the financial calendar on [page 70](#) of this report or visit our IR website at [ir.cewe.de](https://ir.cewe.de).



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# BASIC INFORMATION ON THE GROUP

## BUSINESS MODEL

CEWE operates in three strategic business units: Photofinishing, Retail and Commercial Online Printing. Its segment reporting by business unit also reflects these strategic business units (together with a further business unit, Other Activities).

### The core business unit: Photofinishing

Photofinishing is the name we give to our photo products business. CEWE is the European market leader in photofinishing, previously based on analogue film and now replaced by digital data. CEWE PHOTOBOOK has established itself as the key product in this field. CEWE has also rigorously expanded its product range.

Consumers can purchase CEWE's photofinishing products from business partners supplied by CEWE and also from CEWE directly. For almost all of the photofinishing products manufactured by CEWE, CEWE also handles acceptance of orders and customer communication.

Europe accounts for almost 100% of CEWE's Photofinishing business.

### CEWE RETAIL: proprietary hardware retail business is also a distribution channel for photofinishing products

CEWE has multichannel retailing operations for photo hardware and photofinishing products in Poland, the Czech Republic, Slovakia and Scandinavia. In addition to selling photo hardware, over-the-counter outlets and online shops are a key channel for distributing CEWE photo products directly to end consumers. Turnover and income from photofinishing products are shown in the Photofinishing business unit.

## Commercial Online Printing: printing products for the commercial sector

CEWE is active in its Commercial Online Printing business unit through the production and marketing of printed advertising media via the distribution platforms SAXOPRINT, viaprinto and LASERLINE. CEWE operates its Commercial Online Printing business unit for printed advertising media in Germany and other European countries where local websites are present. The depth of added value in Commercial Online Printing is very similar to Photofinishing. However, CEWE provides less software here for the creation of printed products (unlike in the case of CEWE PHOTOBOOK, for instance).

For further details of CEWE's business model, please see [pages 56 ff.](#) of its Annual Report 2022 or its website at [ir.cewe.de](#) > Investor Relations > News & Publications > Business reports > Annual Report 2022.

# ECONOMIC REPORT

## PHOTOFINISHING BUSINESS UNIT

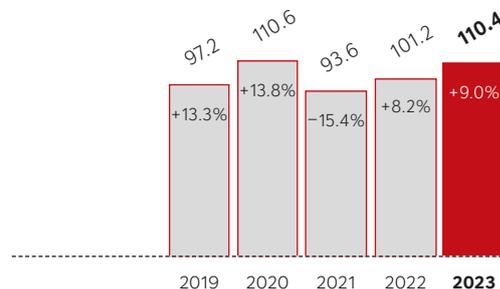
- » Photofinishing achieves 9.0% growth in Q2: turnover increases to 110.4 million euros (Q2 2022: 101.2 million euros)
- » Q2 photo volume increases by +7.5% to 441 million, CEWE PHOTOBOOK sales by +4.5% to 1.077 million copies
- » Turnover in H1 2023 rises by 10.6% to 236.5 million euros (H1 2022: 213.8 million euros)
- » Q2 Photofinishing EBIT, which is traditionally negative due to seasonal factors, improves to –4.1 million euros (Q2 2022: –4.3 million euros) despite one-off factor
- » H1 earnings has a head start of +2.9 million euros on the previous year: EBIT in H1 2023 reaches 1.0 million euros following –1.8 million euros in H1 2022

### Photofinishing turnover continues to rise considerably in Q2, by +9.2 million euros to 110.4 million euros

In the second quarter of 2023, Photofinishing turnover posted another substantial increase of +9.0% to 110.4 million euros (Q2 2022: 101.2 million euros). This growth resulted from price increases – most of which had already been implemented in the course of last year – and from the sustained increase in demand for photo products. Price increases had become necessary to compensate for the inflation-driven rise in costs and the cost of sales. In terms of volume, the increase in (post-coronavirus) holiday travel and a return to more events and family celebrations are generating a new level of photographic activity, with consumers currently ordering more photo products.

Over the first six months of 2023, the Photofinishing business unit thus realised turnover of 236.5 million euros, which translates into growth of 10.6% or 22.6 million euros (H1 2022: 213.8 million euros). Again, the increase in turnover resulted both from price increases and from a continuous growth in volume.

### Photofinishing turnover Q2 in millions of euros / change on previous year as %

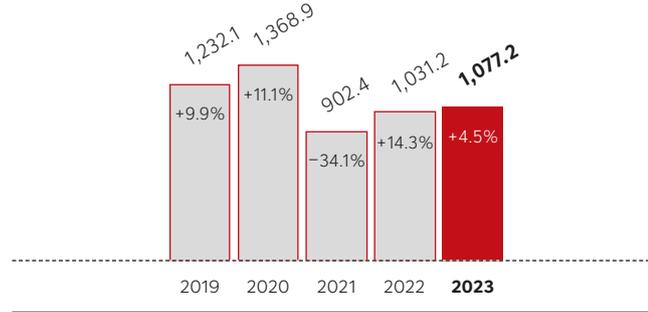


### Volume of photos grows by 7.5% in Q2, CEWE PHOTOBOOK sales up +4.5%

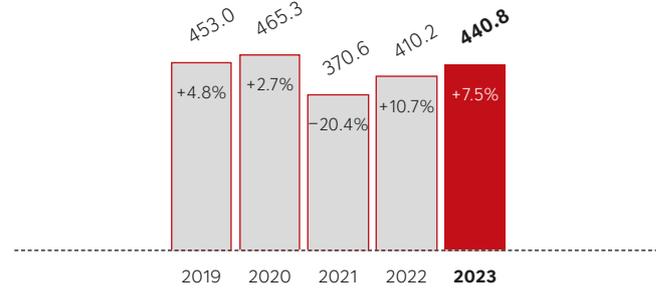
The total number of photos sold picked up by 7.5% in the second quarter of 2023 to 441 million (Q2 2022: 410 million). Demand for CEWE PHOTOBOOKS in Q2 also continued to rise: with 1.077 million copies sold in the second quarter of 2023, sales outperformed the previous year by 4.5% (Q2 2022:

1.031 million copies). In the first half of 2023, CEWE PHOTOBOOK sales thus increased by +7.3% to 2.333 million copies (H1 2022: 2.174 million copies). The total number of photos sold picked up by 9.1% in the first six months of 2023 to 957 million (H1 2022: 877 million).

**Total number of CEWE PHOTOBOOKS Q2** in thousand units /  
change on previous year as %



**Total volume of photos Q2** in million units /  
change on previous year as %

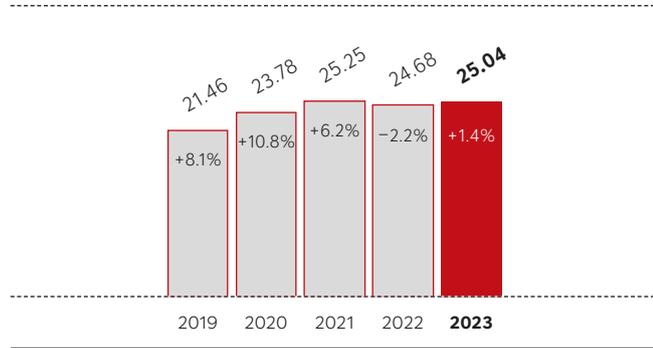


### Turnover per photo up 1.4% in Q2

For some years now, the trend of higher-quality photo products has strengthened the turnover and earnings trends in the Photo-finishing core business unit. In the current quarter under review, turnover per photo went up 1.4% to 25.04 cent compared to 24.68 cent in Q2 2022. A modified product mix continues to have an effect on the turnover per photo: while demand for wall art or puzzles with high turnover per photo intensified in the preceding (coronavirus) years, individual photo prints (with comparatively lower turnover per photo) are once again expanding their share of the total photo volume. Comparison of the current turnover per photo with the last pre-coronavirus Q2 in 2019 shows a significant increase of 3.58 cents or 16.7%.

In the whole first half of 2023, turnover per photo increased by +1.4% from 24.37 cents in the previous year’s period to 24.71 cents. The trend of the pre-coronavirus period thus continues seamlessly.

**Photofinishing turnover per photo Q2 in euro cents / change on previous year as %**



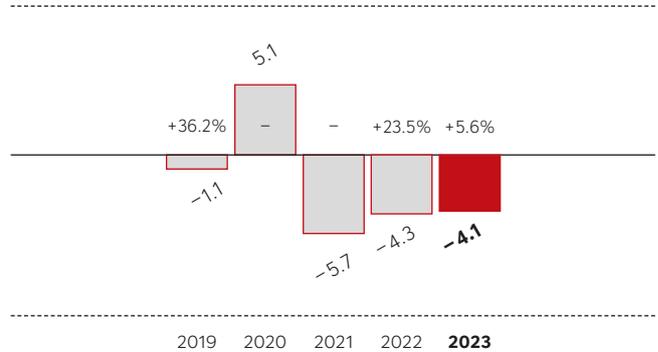
**Q2 Photofinishing EBIT, which is traditionally negative due to seasonal factors, improves despite one-off factor**

In the second quarter of 2023, the EBIT figure reported for the Photofinishing business unit improved by 0.2 million euros to –4.1 million euros (Q2 2022: –4.3 million euros). Owing to high residual fixed costs, Photofinishing EBIT is traditionally negative in Q2 when demand is weaker due to seasonal factors. The

visible increase in Q2 earnings resulting from volume growth and price increases is reduced by an extraordinary accrual for redundant software licences in the amount of –0.5 million euros. Excluding this one-off factor, the operating result improved by 0.7 million euros.

Aside from this accrual, non-operating depreciation resulting from the purchase price allocations of Cheerz (–0.2 million euros), WhiteWall (–0.5 million euros) and Hertz (–0.1 million euros) was recognised as a special item in the second quarter of 2023. Adjusted for the total of these one-off factors, Photofinishing’s operating EBIT in the second quarter of 2023 amounted to –2.8 million euros (comparable, adjusted EBIT figure for Q2 2022: –3.3 million euros).

**Photofinishing EBIT Q2 in millions of euros / change on previous year as %**



The Photofinishing business unit has contributed an EBIT figure of 1.1 million euros to the Group's earnings in the first half of 2023 (Photofinishing EBIT in H1 2022: –1.8 million euros): an improvement of +2.9 million euros.

In the first half of 2023, non-operating depreciation resulting from purchase price allocations with a total volume of –1.6 million euros (H1 2022: –2.0 million euros) and the accrual for redundant software licenses in the amount of –0.5 million euros were recognised through special items. Adjusted for these one-off factors in the first half of the year, the operating EBIT figure for the first six months of 2023 amounts to 3.2 million euros, compared to an (adjusted) previous-year EBIT figure of 0.1 million euros, an improvement of +3.1 million euros.

## COMMERCIAL ONLINE PRINTING BUSINESS UNIT

- » Commercial Online Printing continues to grow: Q2 turnover increases to 21.8 million euros (Q2 2022: 20.8 million euros)
- » COP turnover in H1 2023 rises by 14.8% to 44.4 million euros (H1 2022: 38.7 million euros)
- » Optimised cost structure provides further sustained improvement in income situation, Q2 EBIT rises to 0.4 million euros (Q2 2022: 0.1 million euros)
- » EBIT also improves by 1.0 million euros to 0.8 million euros in H1 2023 (EBIT H1 2022: –0.2 million euros)

With its online printing brands SAXOPRINT, viaprinto and LASERLINE, CEWE is ideally positioned in the European market for printed advertising media and business stationery ordered online and has a particularly strong presence in Germany, Austria and Switzerland (the “DACH” region): SAXOPRINT serves customers primarily in the offset printing segment in Germany and in the Group's other international markets and offers a best-price guarantee; viaprinto is primarily positioned in the digital printing segment as a provider of high-quality printed products with small print runs; LASERLINE has a particularly strong presence in Berlin and Brandenburg and serves customers based in this region.

**Commercial Online Printing turnover continues to grow in Q2**

In the second quarter of 2023, turnover in the Commercial Online Printing business unit posted another increase, reaching 21.8 million euros (Q2 2022: 20.8 million euros). The even higher growth rate of the first quarter of 2023 (+26.6%) is now slowing down, since Commercial Online Printing had recorded a particularly pronounced rise in post-coronavirus turnover of +52.5% in the second quarter of the previous year, which now forms the basis for comparison. Post-coronavirus normalisation including the continuing revival of business activities and the return of (large-scale) events has led to a steady and significant increase in the demand for printed advertising media over the past twelve months.

With a volume of 44.4 million euros in the first half of the year 2023, Commercial Online Printing has achieved a level of turnover which is 14.8% stronger than in the first half of 2022 (H1 2022: 38.7 million euros).

**The optimised cost structure has resulted in a long-term improvement in the income situation for COP**

While it is still some way off its pre-pandemic turnover volume (Q2 2019 turnover: 25.0 million euros and H1 2019 turnover: 50.2 million euros, respectively), Commercial Online Printing has improved its quarterly earnings to 0.4 million euros (Q2 2022: 0.1 million euros). With an optimised cost structure, the Commercial Online Printing business unit has thus once again demonstrated its successful reduction of the breakeven threshold: in the second quarter of 2019, i.e., the last Q2 prior to coronavirus, with a higher turnover volume CEWE had registered a –1.1 million euro loss in Commercial Online Printing. Thanks to the level of cost efficiency achieved in the production field and the “best-price guarantee” for its customers (that can be provided as a result), the COP business unit continues to post profitable growth.

The non-operating expenses resulting from the purchase price allocation of LASERLINE were a one-off factor in the second quarter of 2023, in the amount of 26 thousand euros (Q2 2022: –60 thousand euros). In particular, this comprises amortisation on identified intangible assets. Adjusted for this one-off factor, Commercial Online Printing's EBIT in the second quarter of 2023 amounts to a rounded figure of 0.4 million euros (the adjusted EBIT Q2 2022 amounted to a rounded figure of 0.2 million euros), an improvement of +0.2 million euros.

Overall, in the first six months of the year 2023, Commercial Online Printing has achieved an EBIT figure of 0.8 million euros, compared to –0.2 million euros in the same period in the previous year. This thus represents a significant improvement of +1.0 million euros. Adjusted for the one-off factors resulting from the purchase price allocations (H1 2023: –52 thousand euros; H1 2022: –120 thousand euros), H1 2023 EBIT amounted to a rounded figure of 0.9 million euros (H1 2022 EBIT adjusted for the effects of the purchase price allocation: 0.0 million euros).

## RETAIL BUSINESS UNIT

- » CEWE RETAIL turnover in Q2 close to previous year's level: 7.8 million euros (Q2 2022: 7.9 million euros)
- » CEWE RETAIL turnover in H1 2023 goes up slightly by +1.1% to 14.6 million euros (H1 2022: 14.4 million euros)
- » Q2 EBIT, which is traditionally negative due to seasonal factors, improves to –0.1 million euros (Q2 2022: –0.2 million euros)
- » In H1 2023, Retail thus contributes a slightly improved EBIT to the Group earnings: –0.3 million euros (H1 2022: –0.4 million euros)

CEWE operates multichannel retailing in Poland, the Czech Republic, Slovakia, Norway and Sweden in the form of retail outlets and online shops. CEWE RETAIL clearly focuses on generating photofinishing business, i.e., the marketing of CEWE PHOTOBOOKS, calendars, greeting cards, wall art and other photo gifts. The turnover and earnings contribution provided by this photofinishing product range is reported in the Photofinishing business unit. The Retail business unit only reports turnover and earnings from photo hardware business generated e.g., through cameras and photo equipment. In future, CEWE will continue to develop this merchandise business with optimal margins, while deliberately avoiding unprofitable turnover.

### Hardware retail sales in Q2 at previous year's level

The Retail business unit realised turnover of 7.8 million euros in the second quarter of 2023, nearly matching the previous year's level (Q2 2022: 7.9 million euros). CEWE RETAIL continues to focus on its Photofinishing business and its intentional withdrawal from the low-margin hardware business. In the years before the onset of the coronavirus crisis, the strategic active reduction in turnover was as high as –10%.

In the first six months of the year, Retail achieved a turnover volume of 14.6 million euros, which was +1.1% higher than in the same period in the previous year (H1 2022: 14.4 million euros).

### CEWE RETAIL is well placed thanks to slight improvement in earnings

Q2 EBIT in the Retail business unit, which is traditionally negative due to seasonal factors, has improved in the quarter under review to –0.1 million euros (Q2 2022: –0.2 million euros).

If the Retail business unit is compared with the last Q2 before coronavirus, in 2019, then it has significantly reduced its hardware turnover in line with the above-mentioned strategy, while nonetheless improving its earnings situation (EBIT Q2 2019: –0.3 million euros).

In the first half of 2023, the Retail business unit also improved its EBIT figure to –0.3 million euros (H1 2022: –0.4 million euros). H1 earnings in the Retail business unit, which generates the majority of its annual profit in the fourth quarter Christmas business, are traditionally negative in the first half of the year due to seasonal factors.

## OTHER ACTIVITIES BUSINESS UNIT

CEWE reports its structural and company costs as well as the result of its real estate holdings and equity investments in its Other Activities business unit. In particular, the costs associated with the company's supervisory bodies, its general meeting and its investor relations activities are structural and company costs which are incurred for all of the company's business units. The earnings generated by the Group company futalis are also reported in this business unit, since its business activities cannot be allocated to CEWE's other business units. As a premium brand, online at [www.futalis.de](https://www.futalis.de), futalis produces and markets highly personalised pet food which is tailored to each animal's specific veterinary requirements.

In the second quarter of 2023, CEWE realised revenues in the amount of 2.2 million euros (Q2 2022: 2.0 million euros) in its Other Activities business unit. futalis provided all of these revenues. In the first six months of 2023, the Other Activities business unit thus contributed revenues in the amount of 4.5 million euros (H1 2022: 4.0 million euros) to Group turnover, all of which were also generated by futalis.

The EBIT contribution made by the business unit in the second quarter 2023 amounted to –1.4 million euros (Q2 2022: 0.0 million euros) The drop in earnings was mainly due to the lower earnings posted by futalis, which also included a necessary depreciation of machinery of –0.8 million euros as a one-off factor following the recent impairment test. The impairment test was necessary after the update of the futalis planning for the full year 2023 at the end of the first half of the year, which was carried out in preparation for the initiation of the futalis sales process starting in July 2023.

Due to the fact that the general meeting took place in person for the first time since the coronavirus period, the investor relations costs reported in this business unit were also slightly above the previous year's figure.

The Other Activities EBIT thus reached a level of –1.7 million euros in the first half of 2023 (EBIT H1 2022: 0.1 million euros). Again, the main reason for the drop in earnings was the weaker earnings posted by futalis, including the one-off factor arising from the impairment test.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

- » Continued growth in Photofinishing and Commercial Online Printing leads to Group turnover of 142.3 million euros in Q2 (Q2 2022: 132.0 million euros, +7.8%)
- » In the first six months of 2023, CEWE thus achieved a turnover figure of 299.9 million euros (H1 2022: 270.9 million euros, +10.7%)
- » Group EBIT in Q2 traditionally negative due to seasonal factors; owing to two one-off factors, improved Q2 operating EBIT of –4.0 million euros (Q2 2022: –4.4 million euros) leads to reported Q2 EBIT of –5.2 million euros
- » In the first six months of 2023, CEWE clearly outperforms the previous year with a Group EBIT of –0.1 million euros and an improvement of 2.2 million euros (EBIT in H1 2022: –2.3 million euros) despite the two one-off factors

### Q2 Group turnover increases by 7.8% to 142.3 million euros

Group turnover in the second quarter went up by 7.8% to 142.3 million euros (Q2 2022 Group turnover: 132.0 million euros). This result was mainly driven by the positive development of turnover in the Photofinishing core business unit (+9.0%) and continuing growth in Commercial Online Printing (+4.7% turnover growth).

In the first half of 2023, the Group turnover figure recorded a substantial increase of +10.7% to 299.9 million euros, compared to 270.9 million euros in the same period in the previous year. Photofinishing (+10.6%) and Commercial Online Printing (+14.8%), along with Retail (+1.1%), also delivered the main growth momentum.

### Group EBIT in Q2 at typical seasonal level

On the basis of the turnover and cost trend, the Group EBIT figure in the second quarter of 2023 amounts to –5.2 million euros (Q2 2022: –4.4 million euros). The second quarter traditionally makes a negative EBIT contribution to the profit for the year due to seasonal factors: owing to high residual fixed costs, EBIT in the Photofinishing core business unit is usually negative in Q2 when demand is weaker due to seasonal factors. In addition, two special one-off factors occurred in the current quarter under review: the actual increase in the Q2 operating result to –4.0 million euros is not immediately apparent due to the extraordinary accrual for redundant software licences (–0.5 million euros) and the depreciation of a production machine (–0.8 million euros) resulting from an impairment test at futalis.

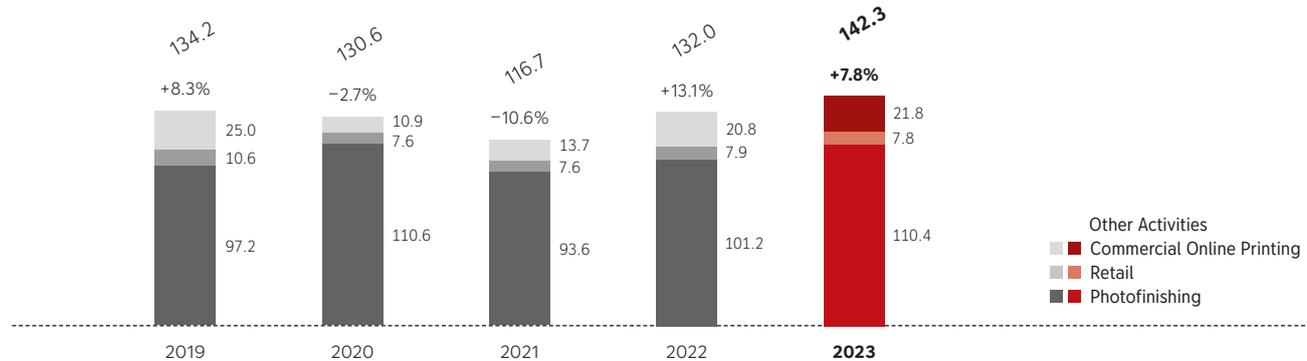
## Economic report

The H1 2023 Group EBIT of –0.1 million euros (including these two one-off factors totalling around –1.3 million euros) is significantly higher than in the previous year (H1 2022 EBIT: –2.3 million euros). It is also clearly above the level of the last pre-coronavirus year 2019 (H1 2019 EBIT: –1.5 million euros). A comparison with the years 2020 and 2021 is difficult due to coronavirus-related fluctuations in the demand for photo and print products.

## EBIT by business unit in millions of euros

	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023
Photofinishing	-1.1	5.1	-5.7	-4.3	-4.1
Commercial Online Printing	-1.1	-2.8	-0.2	0.1	0.4
Retail	-0.3	-3.2	-0.3	-0.2	-0.1
Other Activities	-0.9	-0.1	-0.3	0.0	-1.4
<b>Group</b>	<b>-3.4</b>	<b>-1.0</b>	<b>-6.4</b>	<b>-4.4</b>	<b>-5.2</b>

## Turnover Q2 in millions of euros / change on previous year as %



## Economic report

## Group profit and loss account

in millions of euros	Q2 2022	Q2 2023	Change as %
<b>Revenues</b>	<b>132.0</b>	<b>142.3</b>	<b>7.8</b>
Change in inventories	-0.1	0.0	-
Other own work capitalised	0.7	0.9	30.4
Other operating income	8.1	4.9	-39.4
Cost of materials	-39.0	-41.0	-5.0
<b>Gross profit</b>	<b>101.7</b>	<b>107.1</b>	<b>5.4</b>
Personnel expenses	-47.7	-50.7	-6.3
Other operating expenses	-45.1	-48.1	-6.7
<b>EBITDA</b>	<b>8.9</b>	<b>8.3</b>	<b>-6.5</b>
Depreciation	-13.3	-13.6	-2.2
<b>EBIT</b>	<b>-4.4</b>	<b>-5.2</b>	<b>-19.8</b>
Financial income	0.5	0.3	-47.4
Financial expenses	-0.4	-0.5	-42.5
<b>Financial result</b>	<b>0.2</b>	<b>-0.2</b>	<b>-</b>
<b>EBT</b>	<b>-4.2</b>	<b>-5.5</b>	<b>-30.2</b>
Income taxes	1.4	1.8	28.9
<b>Group earnings after tax</b>	<b>-2.8</b>	<b>-3.7</b>	<b>-30.9</b>

Growth in the Photofinishing (+9.0%), Commercial Online Printing (+4.7%) and Other Activities (+9.2%) business units; Retail close to previous year's level (-0.8%).

Increase in other operating income in the previous year is mainly due to the reversal of accruals that were no longer required, e.g., for valuation adjustments, as well as higher income compared to the quarter under review generated from recyclable residual materials arising during the production process in the consumables segment.

Increase due to slight overall rise in number of personnel (increase in personnel for central functions, Commercial Online Printing, slight decrease in personnel for Photofinishing production plants and Retail) and pay scale adjustments with a minor impact.

Slight increase in financial income in the previous year due to capital distribution from financial interest in start-up funds.

Minimal increase in absolute terms due to consolidation of Hertz Systemtechnik GmbH (producer of the CEWE Photostation) in the full Q2 period; Hertz was only acquired and consolidated at the end of the previous year's second quarter.

Increase in absolute terms, mainly on business-related grounds due to growth of Photofinishing and Commercial Online Printing business; simultaneous improvement in the material expense ratio due to a year-on-year increase in the Photofinishing share with a lower cost-of-sales ratio than the ratios in Commercial Online Printing and Retail.

Increase due to one-off factor of -0.5 million euros for redundant software licenses, higher marketing costs and business-related factors caused by higher incidental bank charges.

Slight decrease in (absolute) operating depreciation in the quarter under review due to special depreciation of a machine at Fufalis in the amount of -0.8 million euros (necessary after the latest impairment test).

## EMPLOYEES

### Number of employees virtually unchanged at 3,745

At the end of June 2023, the number of employees of the CEWE Group was, at 3,745, almost at the same level as in the previous year (3,730 employees).

This slight change year-on-year is partially attributable to new hirings for central functions in Oldenburg and, in Commercial Online Printing, at our Dresden production plant. On the other hand, CEWE has slightly reduced its workforce at its production plants and for CEWE RETAIL.

### Employees by business unit number as FTE

	H1 2022	H1 2023	Change as %
Photofinishing	2,762	2,771	0.3
Commercial Online Printing	498	513	3.0
Retail	416	404	-2.9
Other Activities	54	57	5.6
<b>Total employees</b>	<b>3,730</b>	<b>3,745</b>	<b>0.4</b>

## ASSET AND FINANCIAL POSITION

- » Slight increase in total assets by 6.2 million euros to 521.7 million euros (+1.2%)
- » Capital employed also practically unchanged at 426.8 million euros
- » Equity ratio rises further to a healthy 66.1% (Q2 2022: 60.0%)
- » Rise in equity (+35.4 million euros) sustains reduction of gross financial liabilities (-38.7 million euros)

The following comments on the balance sheet mainly refer to the development of the management balance sheet. They are preceded by a section detailing general accounting balance sheet trends by comparison with June 30, 2022.

### Slight increase in total assets by 6.2 million euros to 521.7 million euros (+1.2%)

As of June 30, 2023, total assets have increased by 6.2 million euros from 515.5 million euros to 521.7 million euros by comparison with the same date in the previous year. In particular, this trend is dominated by the 7.0 million euro increase in non-current assets which is attributable to property, plant and equipment. By contrast, current assets have declined slightly to 148.9 million euros, down 0.8 million euros on the previous year. The main developments here were the rise in inventories (+3.3 million euros) and current trade receivables (+1.6 million euros) and the decline in cash and cash equivalents (−4.2 million euros) and current receivables from income tax refunds (−2.9 million euros).

### Equity ratio rises further to a healthy 66.1% (June 30, 2022: 60.0%)

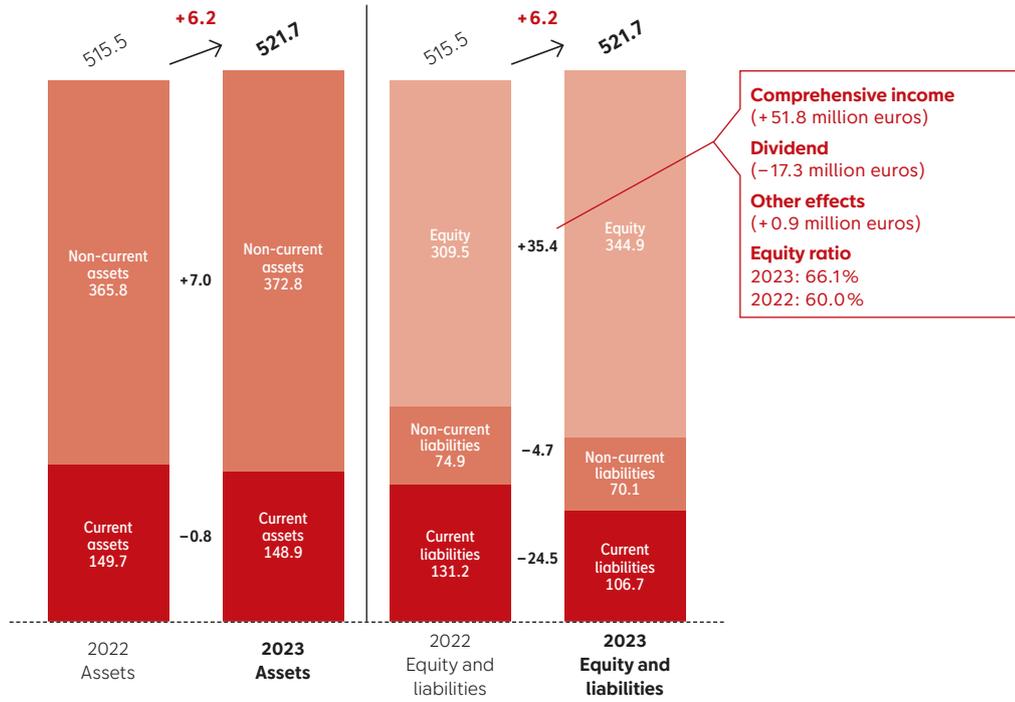
Equity has risen by a total of 35.4 million euros by comparison with June 30, 2022 and amounts to 344.9 million euros. This mainly reflects positive comprehensive income for the past four quarters in the amount of 51.8 million euros, less owner-related

equity changes in the amount of −16.4 million euros. Aside from positive effects, this also includes the dividend distribution in the amount of 17.3 million euros. Following what was already a very solid level in the previous year (June 30, 2022: 60.0%), the equity ratio has once again increased, to a healthy 66.1%.

The Group's debt (the total of current and non-current liabilities) also followed a positive trend, dropping by 29.3 million euros from 206.1 million euros to 176.8 million euros. Current interest-bearing financial liabilities showed a particularly positive development, falling to just 2.4 million euros as of June 30, 2023, compared with 33.2 million euros in the previous year. Trade payables under the current liabilities item increased by 6.4 million euros to 60.5 million euros compared to the previous year. Non-current liabilities decreased by 4.7 million euros to 70.1 million euros, mainly due to lower non-current liabilities from leasing.

Other developments are presented in the following management balance sheet.

## Balance sheet as of June 30 in millions of euros



### Management balance sheet

The management balance sheet shows total assets of 521.7 million euros (June 30, 2022: 515.5 million euros) reduced by current, non-interest-bearing operating liabilities in the total amount of 94.9 million euros (June 30, 2022: 88.3 million euros), as well as the debt and equity elements subject to interest and dividends totalling 426.8 million euros (June 30, 2022: 427.2 million euros).

### Capital employed also practically unchanged at 426.8 million euros

At 426.8 million euros, the capital employed is practically unchanged (−0.4 million euros) from the previous year. In this context, the increase in non-current assets (+7.0 million euros) and the decline in net working capital (−3.2 million euros) and cash and cash equivalents (−4.2 million euros) balanced each other out.

The 7.0 million euro increase in non-current assets predominantly relates to property, plant and equipment. The main reason for this increase is property, plant and equipment. In the past twelve months, investments were made in real estate projects in the Photofinishing production field as well as in digital and offset printing machinery to secure capacities for the crucial Christmas season.

### Scope of the net operating working capital declines by three days to 22 days

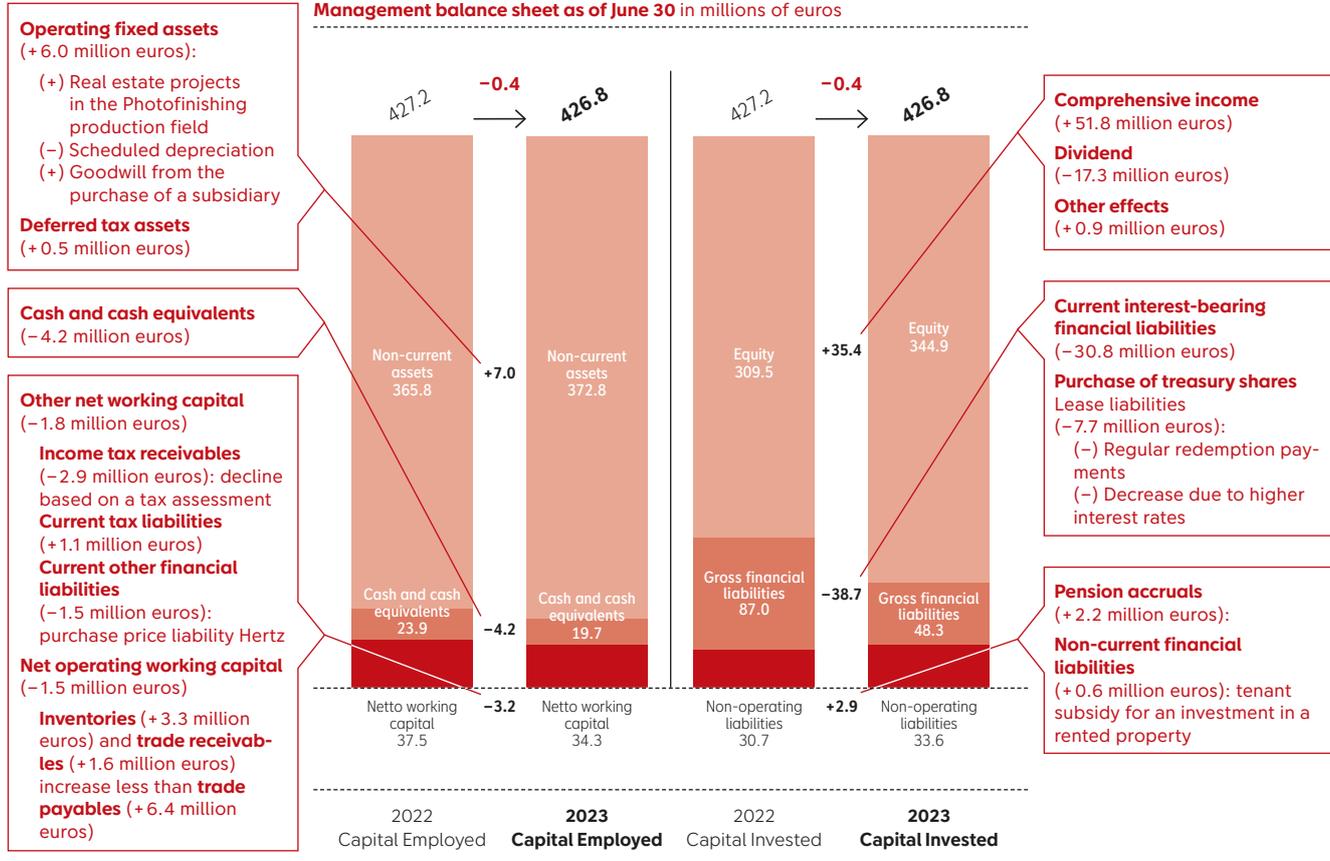
The reported 3.3 million euro increase in inventories, especially in the Photofinishing and Retail business units, reflects the

higher volume of business (Photofinishing) and pent-up demand in the Retail business unit as inventories were very low in the previous year due to the supply chain problems experienced by camera manufacturers. Overall, the inventories scope remains unchanged at 38 days as of June 30, 2022. As a result of a further increase in turnover in the second quarter of 2023 by comparison with the same quarter in the previous year, the volume of trade receivables has increased (+1.6 million euros), although this resulted in a lower maturity of 23 days compared to 24 days as of June 30, 2022. The 6.4 million euro rise in trade payables which is due to the overall higher business volume slightly outweighed the increase in inventories and trade receivables, which has caused net operating working capital to decline by 1.5 million euros. All in all, the scope of the net operating working capital declined by three days to 22 days.

Receivables from income tax refunds have decreased by 2.9 million euros on the basis of a tax assessment. In addition, earnings-induced increases in tax liabilities (+1.1 million euros) and a 1.0 million euro increase in accruals have led to a decline in the other net working capital of 1.8 million euros, which was partially offset by the decrease in current financial liabilities resulting from the residual purchase price payment relating to Hertz (−1.5 million euros).

## Economic report

## Management balance sheet as of June 30 in millions of euros



### **Strong financing position based on free cash flow keeps capital invested stable at 426.8 million euros**

The 24.9 million euro increase in the free cash flow in the first six months of 2023 has reduced the gross financial liabilities by 38.7 million euros year-on-year to 48.3 million euros (cash flow: [page 35](#)). This development is primarily attributable to one-off factors relating to previous years. For instance, shares worth 20.0 million euros were bought back in the period August 2021 to March 2022. Furthermore, an administrative building at the company headquarters was acquired in the amount of 8.5 million euros in the first quarter of 2022, and the subsidiary Hertz Systemtechnik GmbH was purchased in the second quarter, which led to a liquidity-impacting net outflow of 6.2 million euros. On the other hand, a minor opposite trend applied for

non-operating liabilities, which increased by 2.9 million euros to 33.6 million euros. This trend is specifically attributable to pension accruals which increased due to vested entitlements.

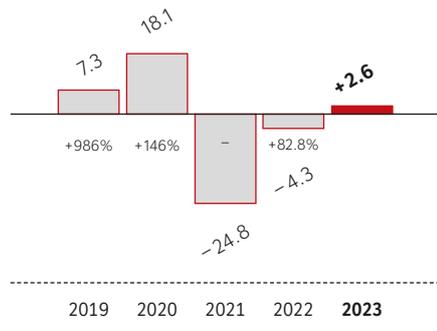
### **Rise in equity (+35.4 million euros) sustains reduction of gross financial liabilities (–38.7 million euros)**

The offsetting item for the decrease in gross financial liabilities is equity. It has risen by a total of 35.4 million euros by comparison with June 30, 2022 and amounts to 344.9 million euros. This mainly reflects positive comprehensive income for the past four quarters in the amount of 51.8 million euros, less owner-related equity changes in the amount of –16.4 million euros. The item specifically includes the dividend distribution in the amount of –17.3 million euros.

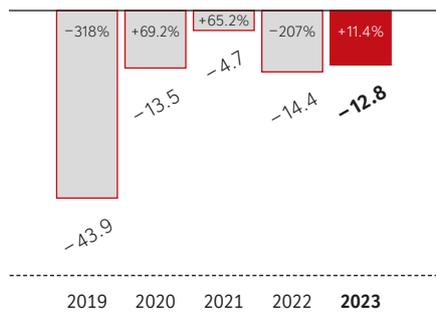
## CASH FLOW

- » Operating cash flow up by 6.9 million euros on Q2 2022, reaching 2.6 million euros and returning to positive levels
- » Net cash used in investing activities down 1.6 million euros as no special investments are made
- » Improvement in cash flow from operating activities results in 8.6 million euro increase in free cash flow (Q2 2022: -18.7 million euros)

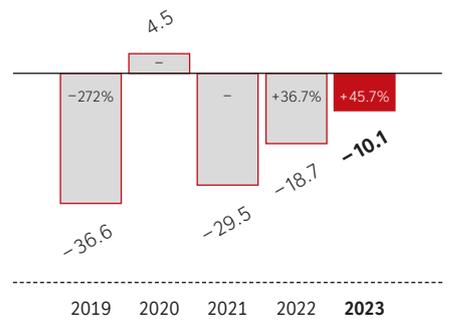
**Cash flow from operating activities Q2**  
in millions of euros / change on previous year as %



**Net cash used in investing activities Q2**  
in millions of euros / change on previous year as %



**Free cash flow Q2** in millions of euros /  
change on previous year as %



### **Operating cash flow up by 6.9 million euros on Q2 2022, reaching 2.6 million euros and returning to positive levels**

Earnings in the second quarter including non-cash effects have had an effect in the amount of –0.6 million euros. The change in the operating cash flow arising from the net operating working capital is only marginally affected by an increase of +0.1 million euros over the same quarter of the previous year. In the other net working capital item, the change in value added tax items (mainly via pre-tax effects) and current other accruals (for various purposes) in particular led to a 3.9 million euro improvement in cash flow. Income tax payments were 3.3 million euros lower year-on-year due to the reduction of advance tax payments in Q2.

In overall terms, the above effects caused the company's cash flow from operating activities to increase by 6.9 million euros over Q2 2022 to 2.6 million euros and hence return to positive levels.

### **Net cash used in investing activities down by 1.6 million euros as no special investments are made**

Net cash used in investing activities has declined by 1.6 million euros from the previous year and thus amounts to –12.8 million euros. The previous year's cash flow was still affected by the acquisition of the subsidiary Hertz Systemtechnik GmbH, which led to a net cash outflow of 6.2 million euros. The fact that the decrease in cash used in investing activities was lower than the decrease in the non-recurring special investment is due to the timing of the investment project implementation. The six-month figures show that cash used in property, plant and equipment and intangible assets decreased by 1.1 million euros to –21.6 million euros in H1 2023 compared to the same period of the previous year.

### **Improvement in cash flow from operating activities results in an increase in free cash flow to –10.1 million euros (Q2 2022: –18.7 million euros)**

Due to the 6.9 million euro rise in cash flow from operating activities and the 1.6 million euro decrease in net cash used in investing activities, free cash flow picked up from –18.7 million euros to –10.1 million euros in the second quarter of the year.

### **Free cash flow for the first half of the year increases substantially due to a significant improvement in cash flow from operating activities**

Traditionally, the free cash flow in the first half of the year is negative as a result of the seasonal nature of the business, with the high cash flow Christmas business coming at the end of the year. Free cash flow in the first six months of the year is therefore particularly significant, increasing by 24.9 million euros year-on-year to –32.3 million euros. The 18.7 million euro rise in cash flow from operating activities to –10.4 million euros played a key role in this trend. An effect of 3.9 million euros resulted from the combined total of EBITDA (2.2 million euros) and non-cash effects (1.6 million euros). Due to the especially strong business trend in Q4 2022, CEWE registered a particularly high volume of trade receivables and payables as of December 31, 2022. The seasonal decline in trade receivables and payables over the first six months of the year was therefore significantly more pronounced during the first half of 2023

than it was over the first six months of 2022, with the decline in receivables clearly dominating. In addition, while stocks were run down in the previous year, the year under review was characterised by a slight build-up in inventory throughout the first six months. These effects have raised the cash flow contribution to the net operating working capital by a total of 7.1 million euros relative to the first six months of 2022. The other net working capital had a slightly negative effect on the cash flow in the amount of –0.7 million euros. Tax payments made in the equivalent half-year period of the previous year, which were reduced or deferred in 2020, did not arise in the same amount in the corresponding six-month period in the current year. This effect has therefore increased cash flow by 8.0 million euros. At –21.9 million euros, net cash used in investing activities has decreased by 6.2 million euros due to the non-recurrence of net payments for the purchase of fully consolidated interests, 6.2 million euros of which related to Hertz in the previous year.

## RETURN ON CAPITAL EMPLOYED

- » Positive earnings trend increases ROCE to 17.8%
- » Average capital employed rises to 437.7 million euros

### Positive earnings trend increases ROCE to 17.8%

After 16.1% as of June 30, 2022, the return on capital employed (ROCE) of 17.8% remains at an above-average level compared to the last five-year period. The figure of 17.8% reflects the

twelve-month EBIT of 77.8 million euros and an average volume of capital employed of 437.7 million euros.

The ROCE as of June 30, 2023 includes the healthy earnings generated in a highly successful Q4 2022, which resulted in a particularly positive ROCE. The twelve-month EBIT figure is higher than in the previous year, which counterbalances the slight increase in the average capital employed.

#### 12-month EBIT

in millions of euros/  
change on previous year as %



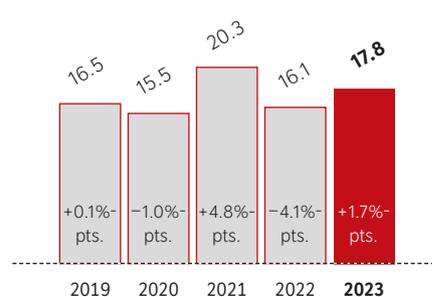
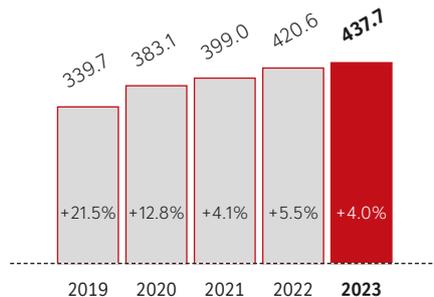
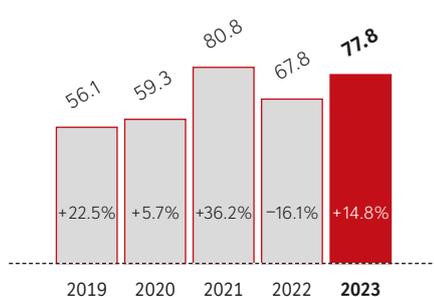
#### Average capital employed over the past 4 quarters

in millions of euros / change on previous year as %



#### ROCE in % /

change on previous year in percentage points



# FORECAST, OPPORTUNITIES AND RISK REPORT

## Risks and opportunities

The consolidated management report in the Annual Report 2022 outlines the key risks and opportunities associated with the envisaged development of the CEWE Group. The regular risk assessment has established that individual risks – or risks arising in conjunction with others – still do not point to any impairment of the net assets, financial position and results of operations of the CEWE Group in a manner which would jeopardise its existence.

You will find further information in the opportunities and risk report on  **pages 73 ff. of the Annual Report 2022.**

## Exogenous uncertainties expressed in 2023 target ranges

In the financial year 2023, CEWE is once again exposed to exogenous sources of uncertainty. On the one hand, factors such as consumers' supplementary energy cost payments might adversely affect their spending or lead to them travel less and thus influence the number of photos they take and the volume of orders they place. On the other hand, the persistently high level of inflation may result in a further increase in costs and the cost of sales. Necessary and compensatory price increases may have to be implemented. To take account of these external framework conditions and reflect their potential effects on CEWE's business development in its planning, CEWE has also defined ranges for all its relevant target figures for the financial year 2023. The ranges for these targets for 2023 represent approximate figures and reflect the above-mentioned uncertainties. To date, the war in Ukraine has not had any direct impact on CEWE's business, either in terms of procurement or

sales. At the present time, there are still no indications of any negative impact on consumer sentiment and thus on the development of turnover. However, CEWE's planning for 2023 does not reflect the potential effects of a possible escalation of the Ukraine war – above all, on consumer sentiment.

### CEWE maintains long-term growth strategy

On average, Group turnover will continue to increase in 2023, from 741.0 million euros in the previous year, 2022, to between 720 million euros and 780 million euros. The turnover trend for the core Photofinishing business unit will improve slightly on

average. The Retail business unit is expected to once again register a slight decline in turnover generated by photo hardware, while Commercial Online Printing will likely achieve further turnover growth in most markets.

### EBIT earnings target range in 2023: 70 to 82 million euros

In the financial year 2023, Group EBIT will fall within a range of between 70 million euros and 82 million euros (compared to 75.6 million euros in the previous year, 2022) and the EBT figure will amount to between 69 million euros and 81 million euros, while earnings after tax will amount to between 47 million euros and 55 million euros.

### CEWE Group targets for 2023

		2023	Change as %
Photos	billion units	2.2 to 2.3	-3 to 3
CEWE PHOTOBOOK	million units	5.7 to 6.0	-3 to 3
Operational investments <sup>1</sup>	millions of euros	60	
Turnover	millions of euros	720 to 780	-3 to 5
EBIT	millions of euros	70 to 82	-7 to 8
Earnings before taxes (EBT)	millions of euros	69 to 81	-8 to 8
Earnings after taxes	millions of euros	47 to 55	-9 to 7
Earnings per share	euros/share	6.58 to 7.73	-9 to 7

<sup>1</sup> Outflows from investments in property, plant and equipment and intangible assets less inflows from the sale of property, plant and equipment and intangible assets; excl. business and company acquisitions.

**Operational investments planned at normal level**

The operational investments planned for 2023 (i.e., outflows from investments in property, plant and equipment and intangible assets less inflows from the sale of property, plant and equipment and intangible assets; excl. business and company acquisitions) are expected to amount to approx. 60 million euros.

**Minimum goal of dividend continuity**

In general, CEWE pursues the goal of dividend continuity. Where this appears possible in view of the company's economic situation and the available investment opportunities, this means a dividend which is at least unchanged in absolute terms, and ideally an increased dividend. This policy clearly focuses on the absolute dividend value, with the payout ratio as a secondary element.

You will find further information in the report on expected developments on  **pages 75 ff. of the Annual Report 2022.**

# DESCRIPTION OF KEY INDICATORS

## Definition of key indicators used in this report

### Borrowed capital

The total value reported as non-current and current liabilities under equity and liabilities

### Capital employed (CE)

Net working capital plus non-current assets and cash and cash equivalents

### Capital invested (CI)

Equity plus non-operating liabilities and gross financial liabilities

### EBIT

Earnings before interest and taxes

### EBITDA

Earnings before interest, taxes, depreciation and amortisation

### EBT

Earnings before taxes

### Equity

The residual claim to the net assets remaining after deduction of liabilities according to IAS 32

### Equity ratio

Equity as a share of total capital; the ratio of equity to the balance sheet total

### Fixed assets

Property, plant and equipment plus investment properties, goodwill, intangible assets and financial assets

### Free cash flow

Cash flow from operating activities less cash flow from investing activities (both according to the cash flow statement)

### Free float

The proportion of the company's freely tradable shares on the market

## Description of key indicators

**FTE (full-time equivalent)**

Number of hours worked, divided by the normal working hours of a full-time employee (German: Vollzeitäquivalente)

**Gross cash flow**

Earnings after taxes plus amortisation on intangible assets and depreciation on property, plant and equipment

**Gross financial liabilities**

Total of non-current interest-bearing financial liabilities and current interest-bearing financial liabilities; cf. interest-bearing financial liabilities

**Gross working capital**

Current assets without cash and cash equivalents

**Interest-bearing financial liabilities**

Non-current and current interest-bearing financial liabilities shown as such, without rights to repayment subject to interest shown in the balance sheet under other credit lines

**Liquidity ratio**

Ratio of cash and cash equivalents versus the balance sheet total

**Net cash flow**

Gross cash flow less investments

**Net cash position/net financial liabilities**

Non-current interest-bearing financial liabilities plus current interest-bearing financial liabilities less cash and cash equivalents; this represents a net cash position in the case of a negative difference, and otherwise net financial liabilities

**Net operating working capital**

Inventories plus current trade receivables less current trade payables

**Net working capital**

Current assets excl. cash and cash equivalents less current liabilities excl. current special items for investment grants and excl. current interest-bearing financial liabilities

**Non-operating liabilities**

Special items for investment grants, non-current provisions for pensions, non-current deferred tax liabilities, other non-current provisions, non-current financial liabilities and other non-current liabilities

## Description of key indicators

**Operating fixed assets**

Total of property, plant and equipment, investment properties, goodwill and intangible assets

**Operational investments**

Outflows from investments in property, plant and equipment and intangible assets less inflows from the sale of property, plant and equipment and intangible assets; excl. business and company acquisitions

**Other current liabilities**

Current tax accruals, other current accruals, other current financial liabilities and current other liabilities

**Other gross working capital**

Assets held for sale, current receivables from income tax refunds, other current financial assets and other current receivables and assets

**Other net working capital**

Other gross working capital less other current liabilities

**Other operating cash flows**

Changes resulting from taxes paid and received as well as proceeds from interest received

**POS**

The points of sale are the retail outlets of the company's business partners and also its own retail branches

**P&L**

Profit and loss account

**Return on capital employed (ROCE)**

The ratio of earnings before interest and taxes (EBIT) versus the capital employed; in general, the twelve-month perspective is chosen for the calculation of a rolling annual return on investment

**Working-capital-induced cash flow**

Changes resulting from net working capital

Please note:

Where digital photos are referred to in this interim report, figures include CEWE PHOTOBOOK prints and the images featured in photo gifts.

As a rule, all figures are calculated as precisely as possible and are rounded off in the tables in line with applicable commercial procedures.

This rounding off may give rise to discrepancies, particularly for totals.



## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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# CONSOLIDATED PROFIT AND LOSS ACCOUNT

## FOR H1 2023 OF CEWE STIFTUNG & CO. KGAA

	Q2 2022 in € thsd.	Q2 2023 in € thsd.	Change as %	H1 2022 in € thsd.	H1 2023 in € thsd.	Change as %
Revenues	132,016	142,269	7.8	270,905	299,932	10.7
Increase/decrease in finished and unfinished goods	-110	1	-	-146	87	-
Other own work capitalised	717	935	30.4	981	1,692	72.5
Other operating income	8,067	4,892	-39.4	14,404	10,698	-25.7
Cost of materials	-39,019 <sup>1</sup>	-40,985	-5.0	-73,758 <sup>1</sup>	-83,776	-13.6
<b>Gross profit</b>	<b>101,671</b>	<b>107,112</b>	<b>5.4</b>	<b>212,386</b>	<b>228,633</b>	<b>7.6</b>
Personnel expenses	-47,683	-50,688	-6.3	-94,591	-100,734	-6.5
Other operating expenses	-45,067	-48,084	-6.7	-93,682	-101,550	-8.4
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>8,921</b>	<b>8,340</b>	<b>-6.5</b>	<b>24,113</b>	<b>26,349</b>	<b>9.3</b>
Amortisation of intangible assets, depreciation of property, plant and equipment	-13,290 <sup>1</sup>	-13,576	-2.2	-26,394 <sup>1</sup>	-26,458	-0.2
<b>Earnings before interest and taxes (EBIT)</b>	<b>-4,369</b>	<b>-5,236</b>	<b>-19.8</b>	<b>-2,281</b>	<b>-109</b>	<b>95.2</b>
Financial income	529	278	-47.4	535	475	-11.2
Financial expenses	-351	-500	-42.5	-666	-847	-27.2
<b>Financial result</b>	<b>178</b>	<b>-222</b>	<b>-</b>	<b>-131</b>	<b>-372</b>	<b>-184</b>
<b>Earnings before taxes (EBT)</b>	<b>-4,191</b>	<b>-5,458</b>	<b>-30.2</b>	<b>-2,412</b>	<b>-481</b>	<b>80.1</b>
Income taxes	1,372 <sup>1</sup>	1,769	28.9	789 <sup>1</sup>	97	-87.7
<b>Group earnings after taxes</b>	<b>-2,819</b>	<b>-3,689</b>	<b>-30.9</b>	<b>-1,623</b>	<b>-384</b>	<b>76.3</b>
<b>Group earnings per share (in euros)</b>						
Undiluted	-0.40	-0.52	-30.6	-0.23	-0.05	76.3
Diluted	-0.40	-0.52	-30.3	-0.23	-0.05	76.3

1 The reference figures have been restated, as outlined on [page 59](#).

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR H1 2023 OF CEWE STIFTUNG & CO. KGAA

	Q2 2022 in € thsd.	Q2 2023 in € thsd.	Change as %	H1 2022 in € thsd.	H1 2023 in € thsd.	Change as %
<b>Group earnings after taxes</b>	<b>-2,819</b>	<b>-3,689</b>	<b>-30.9</b>	<b>-1,623</b>	<b>-384</b>	<b>76.3</b>
Difference resulting from currency translation	-595	595	-	-188	379	-
<b>Amounts which may be reclassified to the profit and loss account in future periods</b>	<b>-595</b>	<b>595</b>	<b>-</b>	<b>-188</b>	<b>379</b>	<b>-</b>
Actuarial profits	11,445	-227	-	11,445	-227	-
Income taxes on income not affecting net income	-3,750	72	-	-3,750	72	-
Other comprehensive income from equity instruments measured at fair value	-815	-71	91.3	-295	-343	-16.3
<b>Other comprehensive income not subsequently reclassified to the profit and loss account</b>	<b>6,880</b>	<b>-226</b>	<b>-</b>	<b>7,400</b>	<b>-498</b>	<b>-</b>
<b>Other comprehensive income</b>	<b>6,285</b>	<b>369</b>	<b>-94.1</b>	<b>7,212</b>	<b>-119</b>	<b>-</b>
<b>Comprehensive income</b>	<b>3,466</b>	<b>-3,320</b>	<b>-</b>	<b>5,589</b>	<b>-503</b>	<b>-</b>

The reference figures have been restated, as outlined on [page 59](#).

# CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2023 OF CEWE STIFTUNG & CO. KGAA

	Dec. 31, 2022 in € thsd.	June 30, 2022 in € thsd.	March 31, 2023 in € thsd.	June 30, 2023 in € thsd.	Change as of March 31, 2023 (%)	Change as of June 30, 2022 (%)
<b>ASSETS</b>						
Property, plant and equipment	224,699	215,874	222,776	222,849	0.0	3.2
Investment properties	19,016	17,258	18,896	18,736	-0.8	8.6
Goodwill	81,775	81,775 <sup>1</sup>	81,775	81,775	0.0	0.0
Intangible assets	24,558	25,805 <sup>1</sup>	23,740	23,305	-1.8	-9.7
Financial assets	9,681	9,656	9,589	9,987	4.2	3.4
Non-current financial assets	978	1,060	979	986	0.7	-7.0
Non-current other receivables and assets	1,751	1,444	1,605	1,691	5.4	17.1
Deferred tax assets	13,648	12,951	13,392	13,450	0.4	3.9
<b>Non-current assets</b>	<b>376,106</b>	<b>365,823</b>	<b>372,752</b>	<b>372,779</b>	<b>0.0</b>	<b>1.9</b>
Inventories	59,267	56,338 <sup>1</sup>	56,687	59,608	5.2	5.8
Current trade receivables	98,148	34,654	36,577	36,284	-0.8	4.7
Current receivables from income tax refunds	11,094	19,855	13,336	16,982	27.3	-14.5
Current financial assets	3,122	2,705	2,666	2,713	1.8	0.3
Other current receivables and assets	11,902	12,318	14,976	13,679	-8.7	11.0
Cash and cash equivalents	73,067	23,855	47,925	19,679	-58.9	-17.5
<b>Current assets</b>	<b>256,600</b>	<b>149,725</b>	<b>172,167</b>	<b>148,945</b>	<b>-13.5</b>	<b>-0.5</b>
<b>Assets</b>	<b>632,706</b>	<b>515,548</b>	<b>544,919</b>	<b>521,724</b>	<b>-4.3</b>	<b>1.2</b>

1 The reference figures have been restated, as outlined on [page 59](#).

## Consolidated balance sheet

	Dec. 31, 2022 in € thsd.	June 30, 2022 in € thsd.	March 31, 2023 in € thsd.	June 30, 2023 in € thsd.	Change as of March 31, 2023 (%)	Change as of June 30, 2022 (%)
<b>EQUITY AND LIABILITIES</b>						
Subscribed capital	19,349	19,349	19,349	19,349	–	0.0
Capital reserve	73,782	73,889	73,641	73,750	0.1	–0.2
Treasury shares at acquisition cost	–26,237	–27,315	–25,998	–26,216	–0.8	4.0
Retained earnings and unappropriated profits	295,869	243,552 <sup>1</sup>	298,686	278,018	–6.9	14.2
<b>Total equity attributable to the shareholders of CEWE KGaA</b>	<b>362,763</b>	<b>309,475</b>	<b>365,678</b>	<b>344,901</b>	<b>–5.7</b>	<b>11.4</b>
Non-current accruals for pensions	29,119	27,692	29,327	29,862	1.8	7.8
Non-current deferred tax liabilities	2,144	2,057 <sup>1</sup>	3,724	1,992	–46.5	–3.2
Non-current other accruals	567	405	547	551	0.7	36.0
Non-current interest-bearing financial liabilities	116	213	1	10	900	–95.3
Non-current lease liabilities	40,536	43,963	38,877	36,537	–6.0	–16.9
Non-current financial liabilities	698	0	666	634	–4.8	–
Non-current other liabilities	526	526	526	526	0.0	0.0
<b>Non-current liabilities</b>	<b>73,706</b>	<b>74,856</b>	<b>73,668</b>	<b>70,112</b>	<b>–4.8</b>	<b>–6.3</b>
Current tax liabilities	5,109	3,627	4,646	4,700	1.2	29.6
Current other accruals	2,690	2,185	2,952	3,220	9.1	47.4
Current interest-bearing financial liabilities	214	33,233	329	2,425	637	–92.7
Current lease liabilities	9,717	9,636	9,581	9,336	–2.6	–3.1
Current trade payables	120,616	54,119	60,229	60,472	0.4	11.7
Current financial liabilities	253	1,659	208	145	–30.3	–91.3
Current other liabilities	57,638	26,758	27,628	26,413	–4.4	–1.3
<b>Current liabilities</b>	<b>196,237</b>	<b>131,217</b>	<b>105,573</b>	<b>106,711</b>	<b>1.1</b>	<b>–18.7</b>
<b>Equity and liabilities</b>	<b>632,706</b>	<b>515,548</b>	<b>544,919</b>	<b>521,724</b>	<b>–4.3</b>	<b>1.2</b>

1 The reference figures have been restated, as outlined on [page 59](#).

Consolidated statement of  
changes in equity

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR H1 2023 OF CEWE STIFTUNG & CO. KGAA

Figures in thousands of euros

	Subscribed capital	Capital reserve	Generated Group equity	Special item for stock option plans
<b>As of Jan. 1, 2022</b>	<b>19,349</b>	<b>76,123</b>	<b>270,023</b>	<b>-15,837</b>
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-1,918</b>	<b>11,445</b>
Dividend paid out	0	0	-16,605	0
Sale of treasury shares	0	0	0	0
Stock option plans	0	-2,234	0	0
<b>Owner-related equity changes</b>	<b>0</b>	<b>-2,234</b>	<b>-16,605</b>	<b>0</b>
<b>As of June 30, 2022</b>	<b>19,349</b>	<b>73,889</b>	<b>251,500</b>	<b>-4,392</b>
<b>As of Jan. 1, 2023</b>	<b>19,349</b>	<b>73,782</b>	<b>303,965</b>	<b>-5,042</b>
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-727</b>	<b>-227</b>
Sale of treasury shares	0	0	-17,348	0
Purchase of treasury shares	0	0	0	0
Stock option plans	0	-32	0	0
<b>Owner-related equity changes</b>	<b>0</b>	<b>-32</b>	<b>-17,348</b>	<b>0</b>
<b>As of June 30, 2023</b>	<b>19,349</b>	<b>73,750</b>	<b>285,890</b>	<b>-5,269</b>

The reference figures have been restated, as outlined on [page 59](#).

Consolidated statement of  
changes in equity

	Compensating item from currency translation	Income taxes not affecting net income	Retained earnings and unappropriated profits	Total	Treasury shares at acquisition cost	Total equity attributable to the shareholders of CEWE KGaA
	-4,887	5,269	254,568	350,040	-14,206	335,834
	-188	-3,750	5,589	5,589	0	5,589
	0	0	-16,605	-16,605	0	-16,605
	0	0	0	0	-13,703	-13,703
	0	0	0	-2,234	594	-1,640
	0	0	-16,605	-18,839	-13,109	-31,948
	-5,075	1,519	243,552	336,790	-27,315	309,475
	-5,211	2,157	295,869	389,000	-26,237	362,763
	379	72	-503	-503	0	-503
	0	0	-17,348	-17,348	0	-17,348
	0	0	0	0	-218	-218
	0	0	0	-32	239	207
	0	0	-17,348	-17,380	21	-17,359
	-4,832	2,229	278,018	371,117	-26,216	344,901

# CONSOLIDATED CASH FLOW STATEMENT

FOR H1 2023 OF CEWE STIFTUNG & CO. KGAA

	Q2 2022 in € thsd.	Q2 2023 in € thsd.	Change as %
<b>EBITDA</b>	<b>8,921</b>	<b>8,340</b>	<b>-6.5</b>
<b>+/- Non-cash factors</b>	<b>220</b>	<b>232</b>	<b>5.3</b>
+/- Decrease (+)/increase (-) in operating net working capital	-2,904	-2,834	-2.4
+/- Decrease (+)/increase (-) in other net working capital (excl. income tax items)	-3,697	236	-
- Taxes paid	-6,811	-3,541	48.0
+ Interest received	0	197	-
<b>= Cash flow from operating activities</b>	<b>-4,271</b>	<b>2,630</b>	<b>162</b>
- Decrease from investments in property, plant and equipment and intangible assets	-8,831	-12,443	-40.9
- Decrease from purchases of consolidated interests/acquisitions	-6,182	0	-
+/- Inflows (+)/outflows (-) from investments in financial assets	314	-388	-
+/- Inflows (+)/outflows (-) from investments in non-current financial instruments	177	-7	-
+ Inflows from the sale of property, plant and equipment and intangible assets	100	65	-35.0
<b>= Cash flow from investing activities</b>	<b>-14,422</b>	<b>-12,773</b>	<b>11.4</b>
<b>= Free cash flow</b>	<b>-18,693</b>	<b>-10,143</b>	<b>45.7</b>
- Dividends paid	-16,605	-17,348	-4.5
- Purchase of treasury shares	0	-218	-
+ Stock option plans	97	6	93.8
<b>= Outflows to shareholders</b>	<b>-16,508</b>	<b>-17,560</b>	<b>-6.4</b>
+/- Inflows (+)/outflows (-) from change in financial liabilities	29,949	-669	-
- Interest paid	-83	-76	8.4
<b>= Cash flow from financing activities</b>	<b>13,358</b>	<b>-18,305</b>	<b>-</b>
<b>Cash and cash equivalents at the start of the reporting period</b>	<b>29,236</b>	<b>47,925</b>	<b>63.9</b>
+/- Exchange-rate-related changes in cash and cash equivalents	-46	202	-
+/- Cash flow from operating activities	-4,271	2,630	-
- Cash flow from investing activities	-14,422	-12,773	11.4
+/- Cash flow from financing activities	13,358	-18,305	-
<b>= Cash and cash equivalents at the end of the reporting period</b>	<b>23,855</b>	<b>19,679</b>	<b>-17.5</b>

The reference figures have been restated, as outlined on [page 59](#).

## Consolidated cash flow statement

	H1 2022 in € thsd.	H1 2023 in € thsd.	Change as %
	<b>24,113</b>	<b>26,349</b>	<b>9.3</b>
	<b>-1,455</b>	<b>180</b>	<b>-</b>
	-6,200	930	-
	-31,503	-32,156	-2.1
	-14,051	-6,082	56.7
	0	394	-
	<b>-29,096</b>	<b>-10,385</b>	<b>64.3</b>
	-22,718	-21,606	4.9
	-6,182	0	-
	372	-568	-
	185	-8	-
	214	249	16.4
	<b>-28,129</b>	<b>-21,933</b>	<b>22.0</b>
	<b>-57,225</b>	<b>-32,318</b>	<b>43.5</b>
	-16,605	-17,348	-4.5
	-13,703	-218	98.4
	193	0	-
	<b>-30,115</b>	<b>-17,566</b>	<b>41.7</b>
	26,994	-3,595	-
	-143	-116	18.9
	<b>-3,264</b>	<b>-21,277</b>	<b>-552</b>
	<b>84,389</b>	<b>73,067</b>	<b>-13.4</b>
	-45	207	-
	-29,096	-10,385	64.3
	-28,129	-21,933	22.0
	-3,264	-21,277	-552
	<b>23,855</b>	<b>19,679</b>	<b>-17.5</b>

# SEGMENT REPORTING BY BUSINESS UNIT<sup>1</sup>

## FOR Q2 2023 OF CEWE STIFTUNG & CO. KGAA

Figures in thousands of euros

		Photofinishing	Retail	Commercial Online Printing	Other Activities	CEWE Group
<b>External revenues</b>	<b>2023</b>	<b>110,377</b>	<b>7,844</b>	<b>21,815</b>	<b>2,233</b>	<b>142,269</b>
	2022	101,224	7,904	20,844	2,044	132,016
External revenues, adjusted for currency effects	<b>2023</b>	<b>110,536</b>	<b>8,272</b>	<b>21,807</b>	<b>2,233</b>	<b>142,848</b>
	2022	101,224	7,904	20,844	2,044	132,016
<b>EBIT</b>	<b>2023</b>	<b>-4,086</b>	<b>-92</b>	<b>368</b>	<b>-1,426</b>	<b>-5,236</b>
	2022	-4,328	-151	96	14	-4,369

1 Segment reporting by business unit is an integral part of the selected notes.

Comments on the segments:

- » Photofinishing includes turnover and earnings from CEWE photo products from own retail activities.
- » Retail only consists of merchandise business, excl. CEWE's photography products.
- » Other Activities comprises holding/structural costs (mainly Supervisory Board and investor relations costs), real estate, fufalis.

# SEGMENT REPORTING BY BUSINESS UNIT<sup>1</sup>

## FOR H1 2023 OF CEWE STIFTUNG & CO. KGAA

Figures in thousands of euros

		Photofinishing	Retail	Commercial Online Printing	Other Activities	CEWE Group
<b>External revenues</b>	<b>2023</b>	<b>236,450</b>	<b>14,569</b>	<b>44,366</b>	<b>4,547</b>	<b>299,932</b>
	2022	213,801	14,416	38,654	4,034	270,905
External revenues, adjusted for currency effects	<b>2023</b>	<b>236,917</b>	<b>15,342</b>	<b>44,361</b>	<b>4,547</b>	<b>301,167</b>
	2022	213,801	14,416	38,654	4,034	270,905
<b>EBIT</b>	<b>2023</b>	<b>1,087</b>	<b>-315</b>	<b>802</b>	<b>-1,683</b>	<b>-109</b>
	2022	-1,830	-432	-155	136	-2,281

1 Segment reporting by business unit is an integral part of the selected notes.

Comments on the segments:

- » Photofinishing includes turnover and earnings from CEWE photo products from own retail activities.
- » Retail only consists of merchandise business, excl. CEWE's photography products.
- » Other Activities comprises holding/structural costs (mainly Supervisory Board and investor relations costs), real estate, fufalis.

## SELECTED NOTES

### Corporate information

CEWE Stiftung & Co. KGaA (hereinafter: CEWE KGaA) is a stock-market-listed partnership limited by shares (Kommanditgesellschaft auf Aktien – KGaA) under German law and is seated in Germany (26133 Oldenburg).

CEWE KGaA is the parent company of the CEWE Group (hereinafter: CEWE). CEWE is an internationally active group which focuses on photofinishing, commercial online printing and photo retail business as a technology and market leader.

### Principles for the preparation of the interim consolidated financial statements as of June 30, 2023

The interim consolidated financial statements of CEWE KGaA as of June 30, 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date and the interpretations of the International Accounting Standards Board (IASB) to be applied in the European Union. These interim financial statements contain all data and information required according to IAS 34 for condensed interim financial statements.

In preparing the condensed interim financial statements, the Board of Management is obliged to make estimates and assumptions in compliance with the applicable accounting principles regarding the presentation of assets and liabilities as well as income and expenses and the disclosure of contingent liabilities and assets. The actual future amounts may deviate from these estimates.

### IFRS applied for the first time in the financial year

The following standards and interpretations and amendments of existing IFRS which have been issued by the IASB are applicable for the first time in the interim financial statements as of June 30, 2023, since they have been endorsed in European law within the scope of the EU's IFRS endorsement process:

**Amendment/standard**

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU)
IFRS 17 “Insurance Contracts” incl. Amendments to IFRS 17 as of June 25, 2020	May 18, 2017	Nov. 19, 2021	Jan. 01, 2023
Amendments to IAS 8: Accounting Policies, Changes in Estimates and Errors: Definition of Estimates	Feb. 12, 2021	March 02, 2022	Jan. 01, 2023
Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies	Feb. 12, 2021	March 02, 2022	Jan. 01, 2023
Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	May 07, 2021	Aug. 11, 2022	Jan. 01, 2023
Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Dec. 09, 2021	Sep. 08, 2022	Jan. 01, 2023

These standards are mandatorily applicable for the first time in the year under review.

The following IFRS endorsed in EU law have been issued up to June 30, 2023 but are only mandatorily applicable in reporting periods subsequent to the financial year coinciding with the calendar year, unless a right of early adoption was exercised.

**Amendment/standard**

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU) <sup>1</sup>
N/A	–	–	–

<sup>1</sup> Refers to the start of the first financial year commencing on or after the specified date.

The following standards and interpretations and amendments of existing IFRS which have also been issued by the IASB are not yet applicable in the Interim Report as of June 30, 2023. They will become applicable once they have been endorsed in European law within the scope of the EU’s IFRS endorsement process.

**Amendment/standard**

	Date of publication	Date of endorsement within the scope of EU law	Date of adoption (EU) <sup>1</sup>
Amendments to IAS 1:			
• Classification of Liabilities as Current or Non-current			
• Classification of Liabilities as Current or Non-current – Deferral of Effective Date	Jan. 23, 2020/ July 15, 2020/ Oct. 31, 2022	open	Jan. 01, 2024
• Non-current Liabilities with Covenants			
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	Sep. 22, 2022	open	Jan. 01, 2024
Amendments to IAS 12 – Income Taxes: International Tax Reform – Pillar Two Model Rules	May 23, 2023	open	open
Amendments to IAS 7: Statement of Cash Flows and IFRS 7 Financial Instruments. Notes – Supplier Loan Agreements	May 25, 2023	open	open

<sup>1</sup> Expected date.

These accounting, valuation and recognition policies and consolidation methods were applied to the semi-annual financial report as of June 30, 2023, without any significant changes in relation to December 31, 2022. These policies and methods are detailed in the consolidated financial statements as of

December 31, 2022. The first-time application of IFRS standards did not result in any significant changes. Nor have the fundamental principles and methods of estimation for the semi-annual financial report changed in comparison to previous periods, with the exception of the modified corporate planning for the subsidiary futalis.

**Scope of consolidation**

Apart from CEWE KGaA, the interim consolidated financial statements as of June 30, 2023 include domestic and foreign companies over which CEWE KGaA has a direct or indirect controlling interest.

As of June 30, 2023, apart from CEWE KGaA as the parent company, the scope of consolidation includes 13 German and 19 foreign companies. The pension commitments transferred to the pension fund CEWE COLOR Versorgungskasse e.V., Wiesbaden, according to IAS 19 are also included in the scope of consolidation. Insofar as this pension fund is unable to meet its obligations on the basis of its own resources, resources are provided by CEWE KGaA.

As in the previous year, Bilder-planet.de GmbH, Cologne, which is not operationally active, has not been included in the scope of consolidation due to its economic insignificance. The same applies for Diginet Danmark ApS, Åbyhøj, Denmark, which was newly established in October 2022 and is not yet operationally active.

### Seasonal effects on business activities

Please see the **notes in the interim consolidated management report, pages 13 ff.**, regarding seasonal and economic effects on the condensed interim consolidated financial statements as of June 30, 2023.

### Key business transactions

An impairment test carried out at futalis in accordance with IAS 36 resulted in the depreciation of a production machine in the amount of 776 thousand euros. No further events affecting the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of comprehensive income or the cash flow which are significant on account of their nature, size or frequency have occurred in the period to June 30 of the current financial year.

### Events following the reporting date

No events which are significant on account of their nature, size or frequency have occurred since June 30, 2023.

### Comments on the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement

Detailed notes concerning the consolidated profit and loss account are set down in the interim consolidated management report in the chapters for the individual business units as well as the “Consolidated profit and loss account”; the notes on the consolidated balance sheet and the consolidated cash flow statement are provided in the chapters “Asset and financial position” and “Cash flow”. The development of equity is shown separately in the statement of changes in equity.

No government grants related to the coronavirus pandemic were received in the first half of the current financial year (previous year: 9 thousand euros). These grants in the previous year comprised contributions provided for personnel expenses in the amount of 3 thousand euros and for rent expenses due to plant closures in the amount of 6 thousand euros.

As of June 1, 2022, Hertz Systemtechnik GmbH, seated in Delmenhorst, was included in the scope of consolidation for the first time. The final purchase price allocation was effected as of December 31, 2022, with retroactive effect to the acquisition date. The figures for the previous year as of June 30, 2022 have been adjusted for the following items in the balance sheet and the profit and loss accounts.

### Acquired assets and liabilities

Figures in thousands of euros	Hertz System- technik GmbH
Goodwill	-1,500
Intangible assets	1,709
Inventories	372
Unappropriated profits	-44
Non-current deferred tax liabilities	624
Cost of materials	-34
Depreciation	-29
Income taxes	+19

## Equity

On December 31, 2022, CEWE KGaA held 251,388 no-par value shares as treasury shares. In addition, CEWE COLOR Versorgungskasse e.V., Wiesbaden, held 112,752 no-par value shares of the company on the same date. The latter were required to be included in the consolidated financial statements by way of adjustment, so that as of the reporting date December 31, 2022, a total of 364,140 no-par value shares were reportable as treasury shares in the consolidated financial statements of CEWE KGaA.

On June 30, 2023, CEWE KGaA's treasury shares portfolio pursuant to §71 of the German Stock Corporation Act (AktG) amounted to 251,138 no-par shares (total amount: 22,443 thousand euros, average purchase price: 89.37 euros/share; previous year: 263,448 no-par shares, 23,542 thousand euros, 89.36 euros/share) and for the Group a total of 363,890 no-par shares (total amount: 26,216 thousand euros, average purchase price: 72.04 euros/share, previous year: 376,200 no-par shares, 27,315 thousand euros, 72.61 euros/share).

As of June 30, 2023, the share capital of CEWE KGaA was unchanged on December 31, 2022 at 19,349 thousand euros, divided up into 7,442,003 shares. Changes in equity are described in the consolidated statement of changes in equity and relevant explanations are provided in the "Asset and financial position" chapter of the **interim consolidated management report** [pages 27 ff.](#)

## Financial instruments

With the exception of the derivatives carried in the balance sheet at fair value, all assets and liabilities are measured at amortised cost. For assets and liabilities carried at amortised cost, the book values of the financial assets and liabilities in the balance sheet represent a reasonable approximation of the fair value.

Derivatives reported in the balance sheet are carried at fair value.

## Notes on the segment reporting

Detailed notes on the segment reporting can be found in the "Economic report" section of the **interim consolidated management report**, [pages 15 ff.](#)

## Contingent liabilities

Contingent liabilities resulted from the grant of suretyships and guarantees for third parties and other issues and amounted to 1,305 thousand euros (end of the same quarter in the previous year: 1,329 thousand euros). It is not likely that the company will be required to fulfil these obligations.

### Transactions with related parties

The members of the Board of Management and the Board of Trustees of Neumüller CEWE COLOR Stiftung and the Supervisory Board are defined as related parties of the CEWE Group. Close family members and related parties of this group of persons are also related parties of the CEWE Group. Transactions with related parties have been entered into on normal market terms, in line with the arm's length principle. There has not been

any significant change in the nature or scope of these transactions by comparison with the consolidated financial statements as of December 31, 2022. Detailed information on the remuneration received by the members of CEWE's executive bodies may be found in the remuneration report included in the Annual Report 2022. As in the previous year, there were no further significant transactions between the company and the members of the Board of Management, the Supervisory Board and the Board of Trustees.

### Group earnings per share

	Q2 2022	Q2 2023	H1 2022	H1 2023
Earnings after taxes	-2,819	-3,689	-1,623	-384
Weighted average number of shares, undiluted (in units)	7,064,995	7,080,473	7,101,090	7,080,115
<b>Undiluted earnings per share (in euros)</b>	<b>-0.40</b>	<b>-0.52</b>	<b>-0.23</b>	<b>-0.05</b>
Consolidated profits after minority interests	-2,819	-3,689	-1,623	-384
Weighted average number of shares, diluted (in units)	7,064,995	7,080,473	7,101,090	7,080,115
Diluting effect of stock options issued	2,282	16,998	17,267	17,088
<b>Diluted earnings per share (in euros)</b>	<b>-0.40</b>	<b>-0.52</b>	<b>-0.23</b>	<b>-0.05</b>

## STATEMENT FROM THE COMPANY'S LEGAL REPRESENTATIVES

To the best of our knowledge, we hereby confirm that the condensed interim consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations in line with applicable accounting principles for interim reporting and that the interim consolidated

management report presents a fair review of the development and performance of the business and the position of the Group, while describing the key risks and opportunities associated with the Group's envisaged development in the remainder of the financial year.

Oldenburg, August 11, 2023

CEWE Stiftung & Co. KGaA  
For the general partner  
Neumüller CEWE COLOR Stiftung  
– The Board of Management –



Yvonne Rostoch  
(Chairwoman of the  
Board of Management)



Patrick Berkhouwer



Dr Reiner Fageth



Carsten Heitkamp



Dr Olaf Holzkämper



Thomas Mehls



Christina Sontheim-Leven

# AUDITOR'S REVIEW REPORT

## CEWE Stiftung & Co. KGaA

We have reviewed the condensed interim consolidated financial statements – comprising the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and selected explanatory notes – together with the interim consolidated management report of CEWE Stiftung & Co. KGaA, Oldenburg, for the period from January 1, 2023 to June 30, 2023, that are part of the semi-annual financial report pursuant to § 115 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim consolidated management report in accordance with the requirements of the WpHG applicable to interim consolidated management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim consolidated management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim consolidated management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW) while also complying with the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim consolidated management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim consolidated management reports. A review is limited primarily to questioning of company employees and analytical assessments and therefore does not provide the level of assurance attainable in an audit of financial statements. Since, in

accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim consolidated management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim consolidated management reports.

Hamburg, August 11, 2023

BDO AG

Wirtschaftsprüfungsgesellschaft

Sabath

German Public Auditor

Hyckel

German Public Auditor

## **FURTHER INFORMATION**

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**70** Financial calendar

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# MULTI-YEAR OVERVIEW

## KEY INDICATORS

### Volumes and employees

		Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023
Digital photos	in millions of units	412.2	421.9	444.0	460.4	363.9	403.1	435.0
Photos from film	in millions of units	12.0	10.5	9.0	4.9	6.7	7.1	5.8
Total volume of photos	in millions of units	424	432	453	465	371	410	441
CEWE PHOTOBOOKS	in thousands of units	1,120.0	1,121.1	1,232.1	1,368.9	902.4	1,031.2	1,077.2
Employees (average)	converted to full-time equivalent	3,421	3,745	3,801	3,842	3,681	3,633	3,674
Employees (as of the reporting date)	converted to full-time equivalent	3,411	3,762	3,907	3,798	3,680	3,730	3,745

### Income

		Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023
Turnover	in millions of euros	116.0	123.9	134.2	130.6	116.7	132.0	142.3
EBITDA	in millions of euros	7.6	5.8	10.0	12.9	6.5	8.9	8.3
EBITDA margin	as % of turnover	6.5	4.7	7.5	9.9	5.5	6.8	5.9
EBIT	in millions of euros	-1.0	-4.1	-3.4	-0.8	-6.4	-4.4	-5.2
EBIT margin	as % of turnover	-0.9	-3.3	-2.5	-0.7	-5.5	-3.3	-3.7
Restructuring expenses	in millions of euros	0.0	0.0	0.0	1.7	0.0	0.0	0.0
EBIT prior to restructuring	in millions of euros	-1.0	-4.1	-3.4	0.8	-6.4	-4.4	-5.2
EBT	in millions of euros	-1.1	-3.7	-3.5	-1.2	-6.8	-4.2	-5.5
Earnings after taxes	in millions of euros	-0.8	-2.6	-2.1	-0.7	-4.4	-2.8	-3.7

### Volumes and employees

		H1 2017	H1 2018	H1 2019	H1 2020	H1 2021	H1 2022	H1 2023
Digital photos	in millions of units	840.6	879.8	943.0	961.7	877.9	863.7	946.2
Photos from film	in millions of units	21.2	18.5	16.4	11.7	12.7	13.5	10.8
Total volume of photos	in millions of units	862	898	959	973	891	877	957
CEWE PHOTOBOOKS	in thousands of units	2,279.1	2,369.1	2,567.7	2,732.3	2,235.1	2,174.1	2,333.0
Employees (average)	converted to full-time equivalent	3,446	3,757	3,806	3,930	3,726	3,689	3,723
Employees (as of the reporting date)	converted to full-time equivalent	3,411	3,762	3,907	3,798	3,680	3,730	3,745

### Income

		H1 2017	H1 2018	H1 2019	H1 2020	H1 2021	H1 2022	H1 2023
Turnover	in millions of euros	234.6	254.5	274.6	277.0	262.6	270.9	299.9
EBITDA	in millions of euros	16.7	15.8	24.7	28.4	28.1	24.1	26.3
EBITDA margin	as % of turnover	7.1	6.2	9.0	10.3	10.7	8.9	8.8
EBIT	in millions of euros	-0.4	-3.8	-1.5	1.0	2.1	-2.3	-0.1
EBIT margin	as % of turnover	-0.2	-1.5	-0.5	0.4	0.8	-0.8	0.0
Restructuring expenses	in millions of euros	0.0	0.0	0.0	1.7	0.0	0.0	0.0
EBIT prior to restructuring	in millions of euros	-0.4	-3.8	-1.5	2.8	2.1	-2.3	-0.1
EBT	in millions of euros	-0.4	-3.9	-1.8	0.5	1.5	-2.4	-0.5
Earnings after taxes	in millions of euros	-0.3	-2.7	-1.0	1.1	1.4	-1.6	-0.4

## Capital

		Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023
Total assets	in millions of euros	308.8	402.8	508.7	491.4	487.8	515.5	521.7
Capital employed (CE)	in millions of euros	222.6	305.3	402.2	377.4	397.3	427.2	426.8
Equity	in millions of euros	192.7	212.6	235.9	263.8	291.6	309.5	344.9
Equity ratio	as % of the balance sheet total	62.4	52.8	46.4	53.7	59.8	60.0	66.1
Net financial liabilities	in millions of euros	-19.9	47.0	113.8	47.6	46.1	63.2	28.6
ROCE (previous 12 months)	as % of average capital employed	20.6	16.4	16.5	15.5	20.3	16.1	17.8

## Cash flow

		Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023
Cash flow from operating activities	in millions of euros	1.0	0.7	7.3	18.1	-24.8	-4.3	2.6
Cash flow from investing activities	in millions of euros	-9.3	-10.5	-43.9	-13.5	-4.7	-14.4	-12.8
Free cash flow	in millions of euros	-8.3	-9.8	-36.6	4.5	-29.5	-18.7	-10.1
Cash flow from financing activities	in millions of euros	-13.3	6.2	35.3	-0.2	-14.7	13.4	-18.3
Change in cash and cash equivalents	in millions of euros	-21.7	-3.6	-1.2	4.3	-44.2	-5.3	-28.4

## Share

		Q2 2017	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022	Q2 2023
Number of shares (nominal value: 2,60 euros)	in units	7,400,020	7,400,020	7,400,020	7,414,939	7,423,919	7,442,003	7,442,003
Group earnings per share								
Undiluted	in euros	-0.11	-0.37	-0.29	-0.09	-0.61	-0.40	-0.52
Diluted	in euros	-0.11	-0.36	-0.29	-0.09	-0.60	-0.40	-0.52

## Capital

		H1 2017	H1 2018	H1 2019	H1 2020	H1 2021	H1 2022	H1 2023
Total assets	in millions of euros	-	-	-	-	-	-	-
Capital employed (CE)	in millions of euros	-	-	-	-	-	-	-
Equity	in millions of euros	-	-	-	-	-	-	-
Equity ratio	as % of the balance sheet total	-	-	-	-	-	-	-
Net financial liabilities	in millions of euros	-	-	-	-	-	-	-
ROCE (previous 12 months)	as % of average capital employed	-	-	-	-	-	-	-

## Cash flow

		H1 2017	H1 2018	H1 2019	H1 2020	H1 2021	H1 2022	H1 2023
Cash flow from operating activities	in millions of euros	-0.6	-9.2	-3.3	10.9	-48.0	-29.1	-10.4
Cash flow from investing activities	in millions of euros	-14.8	-59.5	-47.9	-21.5	-18.9	-28.1	-21.9
Free cash flow	in millions of euros	-15.4	-68.7	-51.2	-10.6	-66.9	-57.2	-32.3
Cash flow from financing activities	in millions of euros	-10.7	41.6	35.0	2.0	-18.9	-3.3	-21.3
Change in cash and cash equivalents	in millions of euros	-26.0	-27.1	-16.2	-8.6	-85.8	-60.5	-53.6

## Share

		H1 2017	H1 2018	H1 2019	H1 2020	H1 2021	H1 2022	H1 2023
Number of shares (nominal value: 2,60 euros)	in units	7,400,020	7,400,020	7,400,020	7,414,939	7,423,919	7,442,003	7,442,003
Group earnings per share								
Undiluted	in euros	-0.05	-0.38	-0.13	0.15	0.19	-0.23	-0.05
Diluted	in euros	-0.05	-0.37	-0.13	0.15	0.18	-0.23	-0.05

# FINANCIAL CALENDAR

(DATES CURRENTLY SCHEDULED)

**August 24, 2023** Montega Conference “HIT”–  
Hamburg Investors‘ Day, Hamburg

**September 29, 2023** Berenberg & Goldman Sachs  
German Corporate Conference 2023

**September 20, 2023** Baader Investment Conference 2023

**November 10, 2023** Publication of the Interim Report  
Q3–2023

**November 10, 2023** Press Release on the Interim Report  
Q3–2023

**November 28, 2023** German Equity Forum 2023

You will also find upcoming dates and events on the Internet at

 [www.company.cewe.de](http://www.company.cewe.de)

# IMPRINT

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## **Concept and design**

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## **Auditor of the consolidated financial statements**

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This interim report is also available in German.

CEWE Stiftung & Co. KGaA is a member of  
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and Deutsches Aktieninstitut e.V. (DAI).



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