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CeWe intends to become a profit machine

SDax photo specialist CeWe Color met expectations for 2009 by closing the year with positive results. Prospects for the current business year continue to boost the share.

In trading before official trading hours, the CeWe security was already being traded at increases of more than two per cent. The company achieved an impressive 97 per cent rise in its Q4 profit, to a record 15.2 million euros. Turnover for the three-month period rose by around 5 per cent to 127.4 million euros.

According to the company, the higher level of profitability mainly results because it has completed the processing of restructuring which became necessary as the market was transformed to digital photography.

Targets at least achieved

The profitable fourth quarter enabled CeWe to slightly exceed the targets it had set itself for the full year. Earnings before tax amounted to 16.8 million euros, hence surpassing the ten to 15 million euros that the company had announced.

The total annual turnover of the group, at 409.8 million euros, was at the top end of the target corridor of 405 to 410 million euros.

The individual business divisions in the group show how strongly CeWe Color is still involved in the process of change in photo technology. Sales of analogue photos are to decline once again, by 41 per cent to only 0.35 million prints. The number of digital photos is to be at the same level as in 2009, i.e. at around two million photos.

Photo books continue to do well

From the point of view of CeWe, photo books have established themselves as generators of sales and income, with sales figures for this year due to rise by 17 per cent to 4.2 million books. CeWe identified a trend towards high-quality and hence higher-margin products in the area of digital photos.

In 2010 the company intends to generate turnover of 420 to 430 million euros and to achieve earnings before tax of 24 to 29 million euros. Earnings per share are to increase from one euro to between 1.76 and 2.20 euros.