

# Media & Financial analyst meeting

## Spector Photo Group N.V.

March 7, 2013



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1

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## Spector Photo Group - 2012 Results

- 1) Introduction
- 2) Smartphoto Group
- 3) Financial data
- 4) 2013 prospects
- 5) Q & A



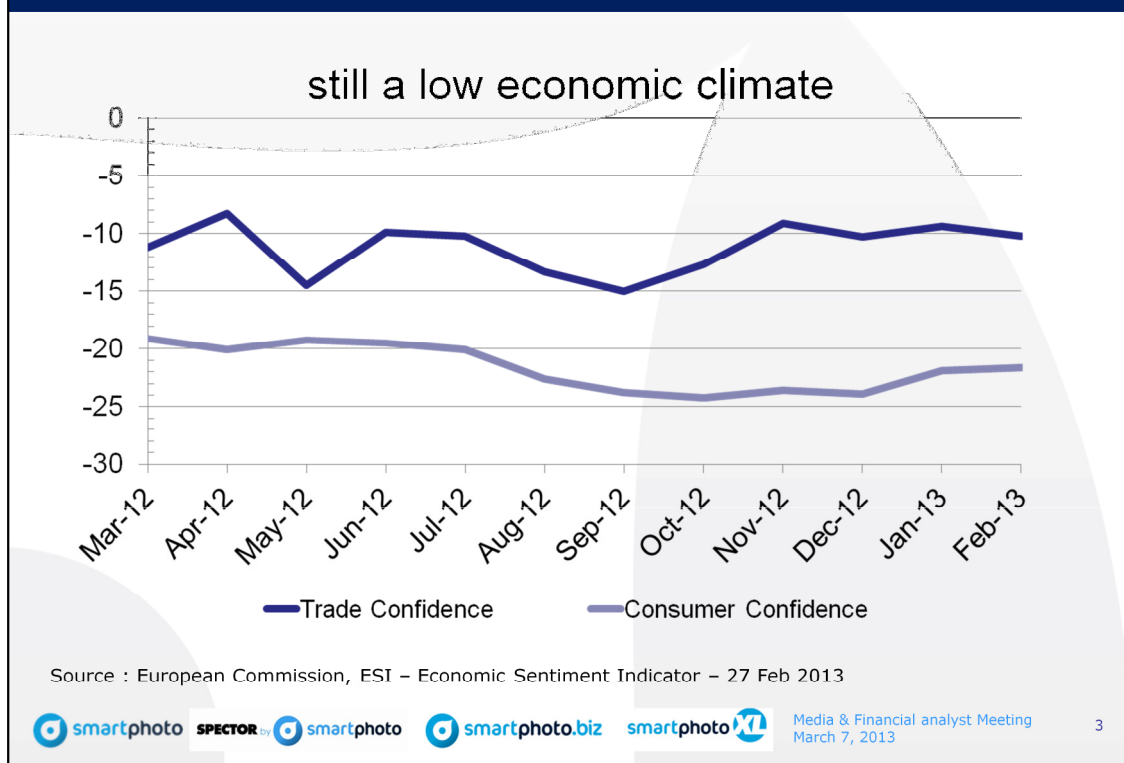
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2

# 1. Introduction: macro-economic conditions



# 1. Introduction – financial summary 2012

- **Retail:**

- Discontinued activities
- Put up for sales via LCB (Wet of Continuïteit van Ondernemingen) in July
- All activities were sold (HiFi Lux on 24/10, rest on 4/12)
- Put into bankruptcy on 5/12
- Result impacted with EUR -2,6m

- **Imaging: strong Q4**

- REBITDA increases with 7% to EUR 4,4m
- Turnover decreases slightly to EUR 55m, mainly due to decline of analog and digital prints
- Other photo products see double digit turnover increase
- Wholesale keeps up despite difficult economic climate

- **Group:**

- net result EUR -3.8 m
- net financial debt decreases to EUR 1,4m



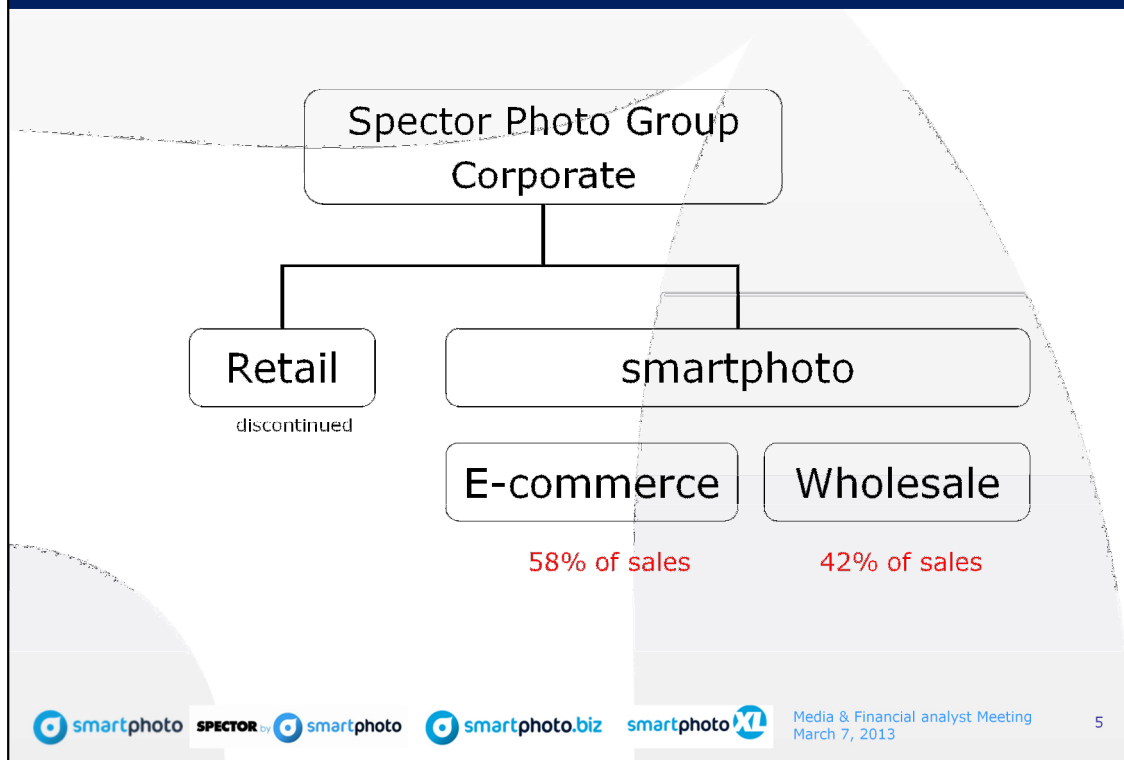
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## 1. Introduction: group structure



## 2. Imaging – smartphoto

smartphoto brand conversion finalized in 2012



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Make people **share** beautiful  
**moments together.**



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We help socially active, internet savvy young moms and families create **affordable high quality** personal photo products through smart and simple designed apps and websites



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We are **passionate** about your family photos.

Every day we try to find **smart** ways to help you to get the most out of those special moments of your life.

We make it **simple** for everyone to enjoy their photos by creating affordable high quality personal products.

Our mission has succeeded when we put a **smile** on your face as you rediscover your photos in new and exciting ways.



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## Our Values

SMART

Affordable  
High Quality  
Solutions

SIMPLE

Easy  
Fast  
Accessible

SMILE

Fun to make  
Fun to receive/share  
Inspirational



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Affordable  
High  
Quality  
Solutions



**smartwarranty**  
100% satisfaction guaranteed



**smartservice**  
directly at your assistance



**smartbonus**  
staying with us is rewarding



**smartphoto**

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**smartphoto**



**smartphoto.biz**

**smartphoto**



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SIMPLE

Easy  
Fast  
Accessible



smartdialog  
we'd like to know you better



Follow

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**Smile**

'I'm proud of what I made'  
'The moment I receive my package is magical'  
'Friends smile when I give these products'

**SMILE**

Fun to make  
Fun to receive/share  
Inspirational

Cool cousters to give as a present or to make the party-dinner very special!

smartphoto SPECTOR smartphoto smartphoto.biz smartphoto

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## 2. smartphoto Group - structure

- **E-commerce** : affordable high quality photo products
  - direct or via retail partnerships
  - same products for business that want a personalized approach towards their customers (**smartphoto.biz**)
- **Wholesale (B2B):**
  - photo hardware to independent shops - **Filmobel**
  - photo products – **spector by smartphoto**
  - professional provider of visual communication and presentation systems and printed textiles for the B2B customer and specialized reseller - **smartphotoXL**



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14

## 2. smartphoto Group – performance 2012

- Sales: -2,1%
  - decline mainly related to prints (analog/digital)
  - growth of non prints >10%
  - further decline of analogue (-48%)
  - Wholesale performs well despite difficult economy

(in € '000)	2011	2012	Δ in %
Revenue	56 170	55 000	-2.1%
(R)EBIT	1 132	1 869	65.1%
(R)EBITDA	4 081	4 367	7.0%

## 2. smartphoto Group – performance 2012

- REBITDA: +7%
  - impact of lower margin Wholesale
  - increased margin in e-commerce because of shift towards products with higher added value
  - launch of new products in Q4



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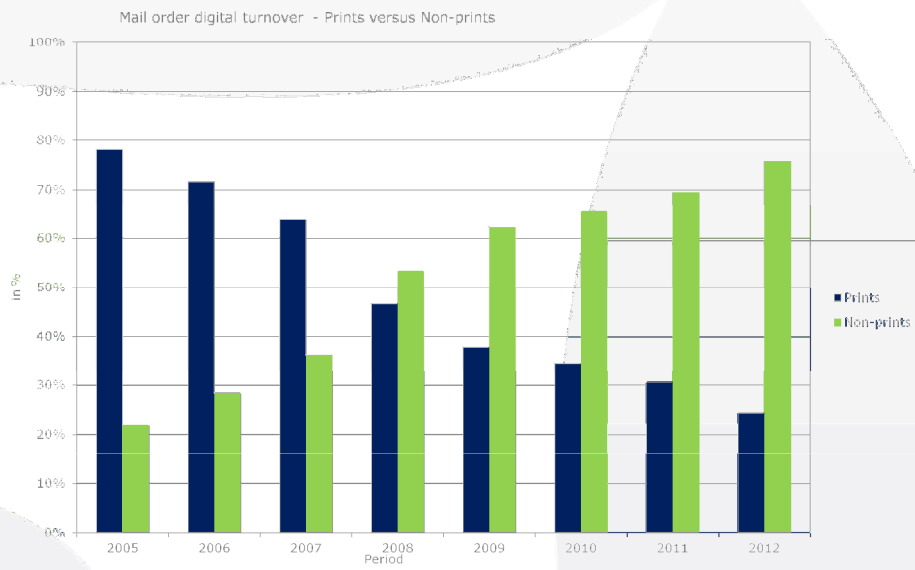


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16



## 2. smartphoto Group



Source: Spector Photo Group



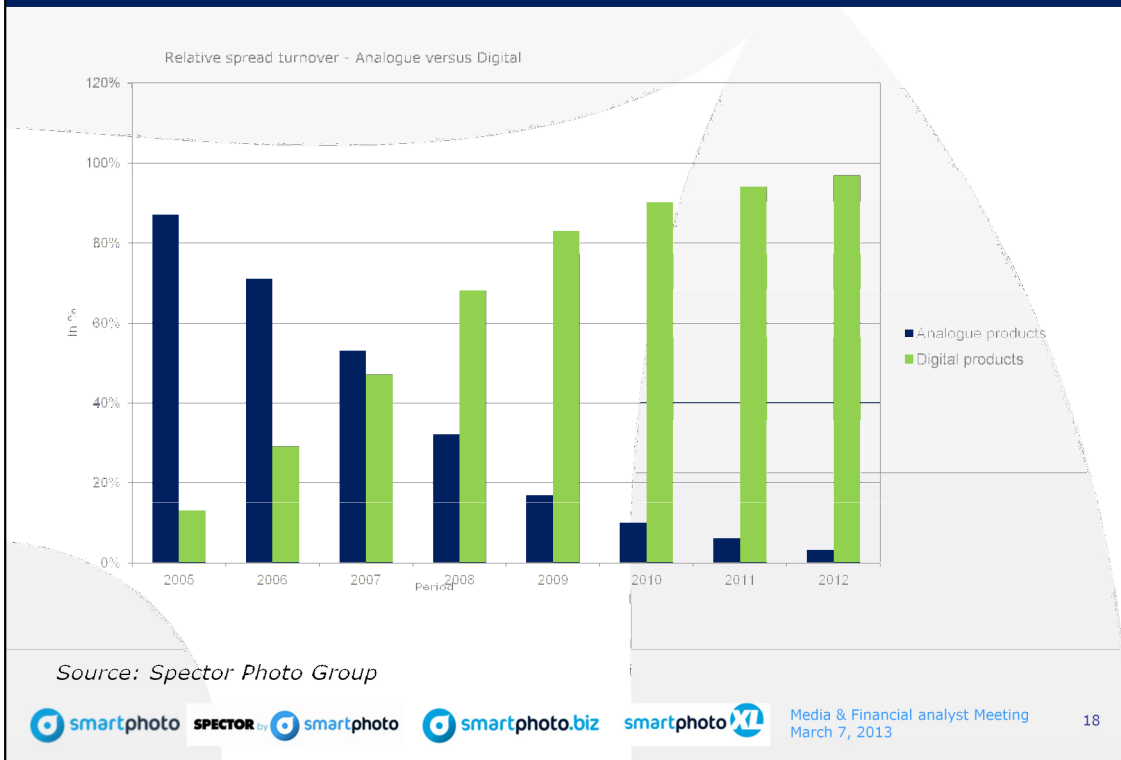
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17

## 2. smartphoto Group



## 2. smartphoto Group – main elements 2012

- analogue photo sales: -48%
- continuous decline of single photo prints
- >10% increase of digital sales of other products than prints
- Wholesale performs well despite poor economy
- several initiatives to expand the brand reach of smartphoto



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19

### 3. Financial data

## Financial data



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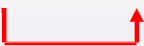
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20

### 3. Financial data: key figures

Income Statement (in € '000)	2011	2011 revised*	2012	Δ in %
Revenue	197 405	56 170	55 005	-2.1%
Profit/loss (-) from operating activities, before non-recurring items (REBIT)	- 2 407	832	1 659	99.3%
Non-cash items from operating activities, before non-recurring items	5 249	2 956	2 499	-15.5%
REBITDA	2 841	3 789	4 157	9.7%
Non-recurring items from operating activities	- 1 732	70	0	-
Profit/loss (-) from operating activities (EBIT)	- 4 140	902	1 659	83.8%
Non-recurring non-cash items from operating activities	1 446	- 70	0	-
EBITDA	2 554	3 789	4 157	9.7%
Financial result	187	1 768	- 377	-
Income tax expense (-)/income	1 080	1 671	- 2 532	-
Profit/loss (-) from continuing activities	- 2 873	4 341	- 1 250	-
Non-cash items from continuing activities	5 747	1 421	4 229	197.5%
Profit/loss (-) from continuing activities, corrected for non-cash items	2 874	5 763	2 979	-49.3%
Profit/loss (-) from discontinued operations	0	- 7 214	- 2 599	64.0%
Profit/loss (-) for the period	- 2 873	- 2 873	- 3 849	-
Attributable to the group	- 2 873	- 2 873	- 3 849	-

- EBIT: € +0.76 m
- Financial result: € -2.15 m
- Taxes: € -4.20 m
- Discontinued: € +4,62 m

  
**€ -0,98 m**

### 3. Financial data: key figures

#### Segment information

Audited figures prepared in accordance with IFRS

#### Reportable segments

(in € '000)	2011	2012	Δ in %
<b>Revenue</b>			
Total	56 170	55 000	2.1%
E-commerce	36 545	34 843	-4.7%
Wholesale	22 844	22 919	0.3%
Intersegment	-3 219	-2 762	14.2%
<b>REBITDA</b>			
Total	4 081	4 367	7.0%
E-commerce	3 533	4 073	13.5%
Wholesale	494	293	-40.6%

#### Reconciliations

(in € '000)	2011	2012	Δ in %
<b>Revenue</b>			
Total revenue reportable segments	56 170	55 000	-2.1%
Other	0	5	
Total revenue	56 170	55 005	-2.1%
<b>REBITDA</b>			
REBITDA Reportable segments	4 081	4 367	7.0%
REBITDA not allocated to reportable segments	- 293	- 269	28.5%
Total REBITDA	3 788	4 157	9.7%

#### Discontinued operations

(in € '000)	2011	2012	Δ in %
Revenue Photo Hall Group (Retail)	141 235	80 658	-42.9%
REBITDA Photo Hall Group (Retail)	- 947	- 186	80.4%



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22

### 3. Financial data: operating activities

Income statement for the period (in € '000)	2011	2012	Δ	Δ in %
Revenue	56 170	55 005	- 1 165	-2.1%
Other operating income	2 010	1 961	- 49	-2.4%
Changes in inventory of finished goods & work in progress	- 8	50	58	-
Work performed by enterprise and capitalised	2	- 2	- 2	-
Trade goods, raw materials and consumables	- 29 238	- 28 754	484	1.7%
Employee expenses	- 10 365	- 10 732	- 366	-3.5%
Depreciation and amortisation expenses	- 2 845	- 2 033	812	28.5%
Other operating expenses	- 14 894	- 13 839	1 055	7.1%
<b>Profit/loss (-) from operating activities, before non-recurring items</b>	<b>832</b>	<b>1 659</b>	<b>827</b>	<b>99.3%</b>
Non-recurring items from operating activities	70	-	- 70	-
<b>Profit/loss (-) from operating activities</b>	<b>902</b>	<b>1 659</b>	<b>756</b>	<b>83.8%</b>

- Gross margin: from 47.9% in 2011 to 47.7% in 2012
- Employee expenses: 3.5% increase
- Depreciations: decline of EUR 0.8 mio
- Other operating expenses: 7.1% decrease (mainly increase of marketing expenses)

### 3. Financial data: financial results

Financial result	(in € '000)	2011	2012	Δ	Δ in %
Financial income		494	116	- 378	-76.6%
Financial costs		- 738	- 493	244	33.1%
Financial cost-net, before non-recurring items		- 243	- 377	134	-55.1%
Non-recurring financial items		2 011		- 2 011	-
Financial result		1 768	- 377	- 2 145	-121.3%

Financial results: decrease with EUR 2.15 mio

- Non-recurring income in 2011 of EUR 2.01 mio on deal with NIBC Bank
- Decrease of the positive currency translation adjustments: EUR -0.18 mio
- Slight decrease of the financial charges: EUR +0.04 mio



### 3. Financial data: taxes

Taxes (in € '000)	2011	2012	Δ
Result deferred taxes	1 666	- 2 543	- 4 209
Income taxes	4	11	6
	1 671	- 2 532	- 4 203

Income taxes: negative result of EUR -2.53 mio:

- Deferred taxes: EUR -2.54 mio
  - > usage and write-back of deferred taxes
- Tax income: EUR 0.01 mio

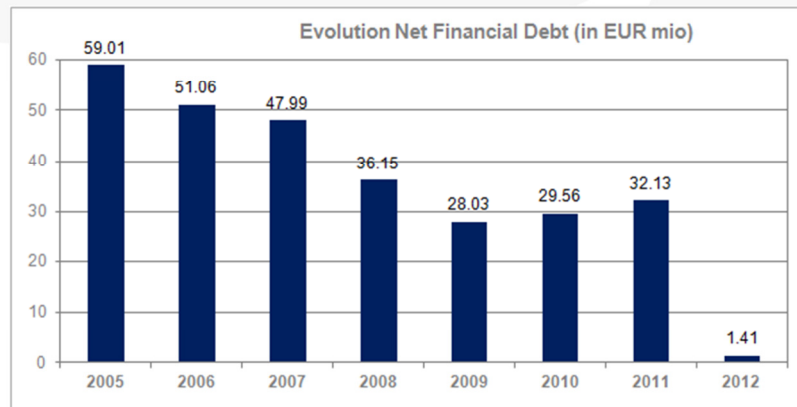
### 3. Financial data: balance sheet

Statement of financial position (In € '000)	2011	2012	Δ in %
Total assets	95 608	39 600	-58.6%
Net financial debt	32 134	1 411	-95.6%
Total equity	24 864	20 900	-15.9%
Solvency ratio	26.0%	52.8%	102.9%
Gearing ratio	129.2%	6.8%	-94.8%
Current ratio	76.4%	105.6%	38.2%

- Derecognition of the assets & liabilities of
  - Hifi International and
  - Photo Hall Multimedia
- Decrease of the Net Financial Debt from EUR 32.1 mio -> EUR 1.4 mio
- Decrease of the Total Equity mainly due to the impact of the Net result of the year: EUR -3.85

### 3. Financial data: balance sheet

#### Net Financial Debt



- Net financial debt: minus EUR 30.7 mio:
  - > derecognition of the Retail Group -29.6 mio EUR
  - > net repayment borrowings - 1.1 mio EUR

## 4. Prospects 2013

- **e-commerce :**
  - shift towards added value products continues
  - launch of tens of new products
  - more retail partnerships in Europe
  - smartphoto.biz
- **wholesale :**
  - price pressure continues
  - positioning 'à la carte' unique selling proposition
  - smartphotoXL will provide visual communication systems to B2B customers and specialized resellers



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28

## 5. Q&A

# QUESTIONS AND ANSWERS



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29