



STRÖER

Q2 2019

August 8, 2019 | Ströer SE & Co. KGaA

Agenda

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Strategic Update

What has changed?

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Financial Status

How did we perform?

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What is next?

Results 6M 2019 (continuing Operations)

m€		6M 2019	6M 2018	▲
Revenues	Reported	787.4	725.9	+8%
	Organic ⁽¹⁾	7.3%	8.0%	-0.7%pts
EBITDA (adjusted)		256.0	236.9	+8%
EBIT (adjusted)		114.8	108.7	+6%
Net income (adjusted) ⁽²⁾		84.0	78.5	+7%
Operating cash flow		173.7	153.0	+14%
Capex		47.0	60.0	-22%
		30 Jun 2019	30 Jun 2018	
Net financial debt (incl. lease obligations)		1,691.7	1,676.0	+1%

Note: Disposal of OoH Turkey classified as discontinued operations

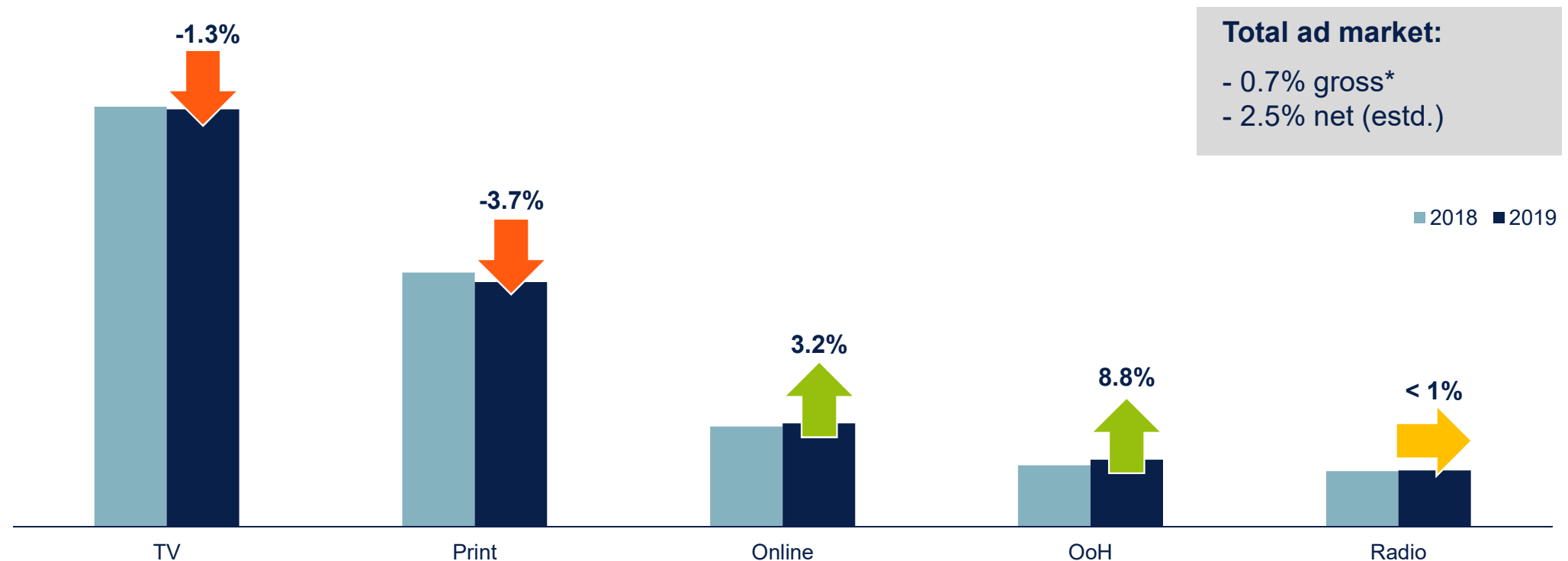
(1) Excluding exchange rate effects and effects from (de)consolidation and discontinuation of operations

(2) Adjusted for exceptional items and additional other reconciling factors in D&A (PPA related amortization and impairment losses), in financial result and in income taxes (applying a normalized tax rate of 15.8%)

Tectonic Shifts in classic German Media Landscape

Decline of Print going on, decline of TV becoming visible – OoH wins significantly

German advertising market Q1-Q2 2018 vs. Q1-Q2 2019

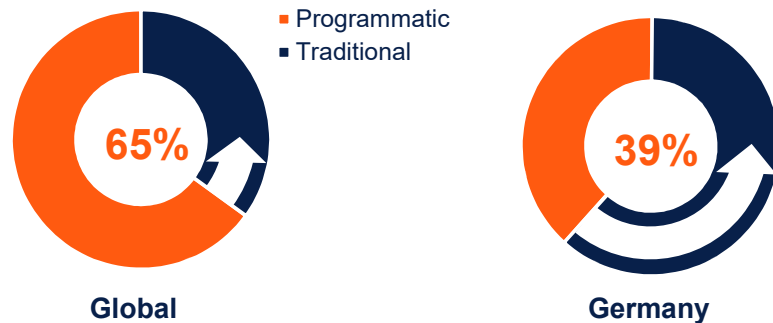


Source: Nielsen Media Research Gross Advertising (Germany); *Nielsen

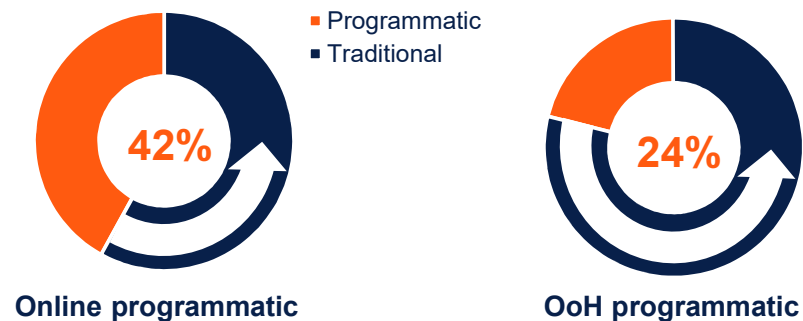
Digital Dividend pays off (1)

Incremental programmatic Revenues from Online to Public Video (DOoH)

Global digital programmatic ad spends 2019*

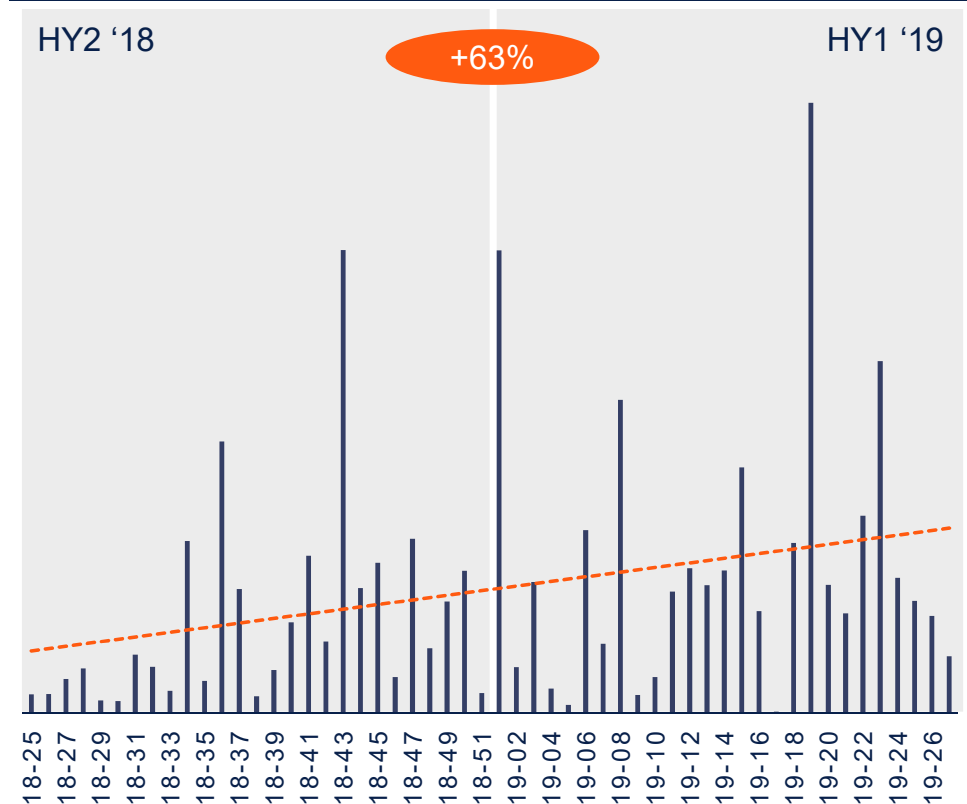


Ströer programmatic share in 2019**



Programmatic Public Video 27/2018 – 26/2019

Sustainable growth of bookings



Source: *Zenith Programmatic Marketing Forecast 2019; **Ströer data

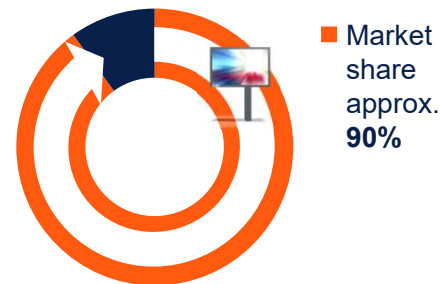
Digital Dividend pays off (2)

Long-term Portfolio Contracts converted into DOoH Assets

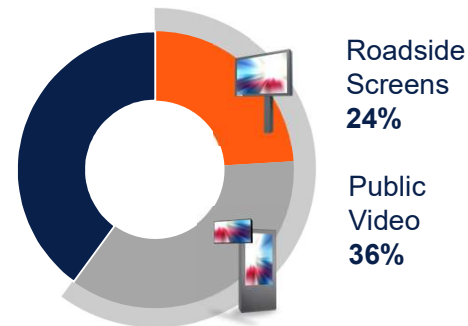
Roadside Screens



Total Ströer share of premium locations*



Investment volume OoH 2019 Clear focus on digitization of inventory



Source: Ströer data; * Premium locations for >9 sqm Megalight /Digital Screens

Digital Dividend pays off (3)

Local Sales Approach maximizes Monetization of digital roadside Assets



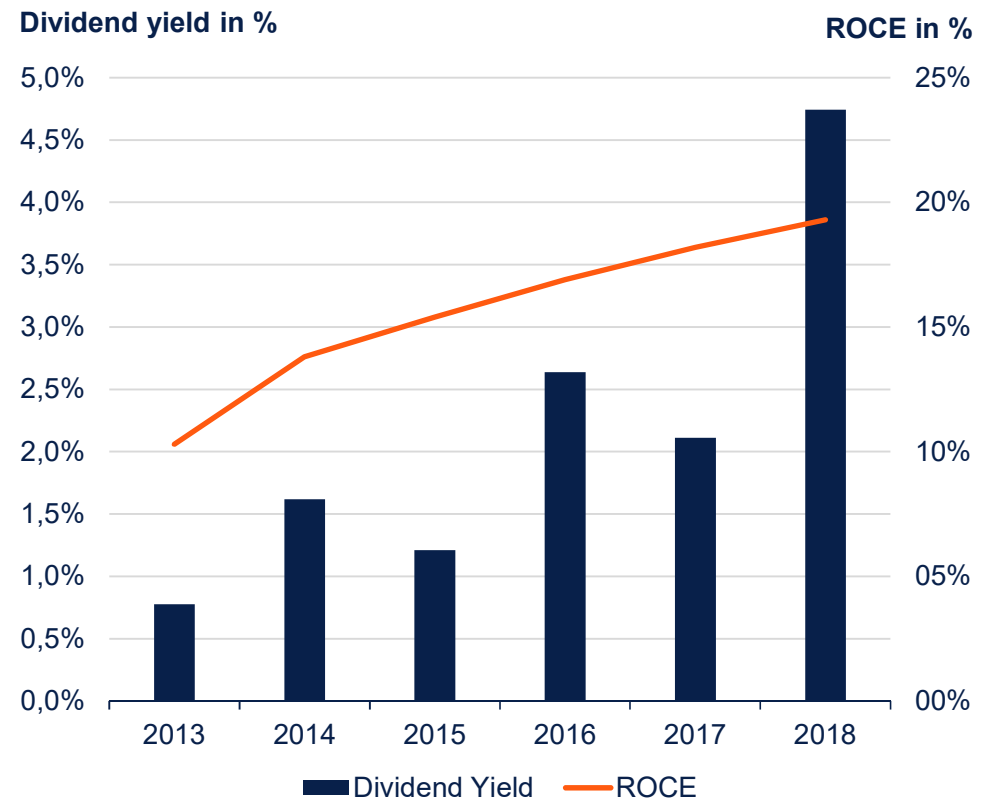
OoH+ and Focus on Germany has proven to be a Success

Sustainable organic Growth and Profitability instead of M&A driven Investments



National focus allows:

1. More focused execution excellence
2. Less management dilution
3. Thus higher margins

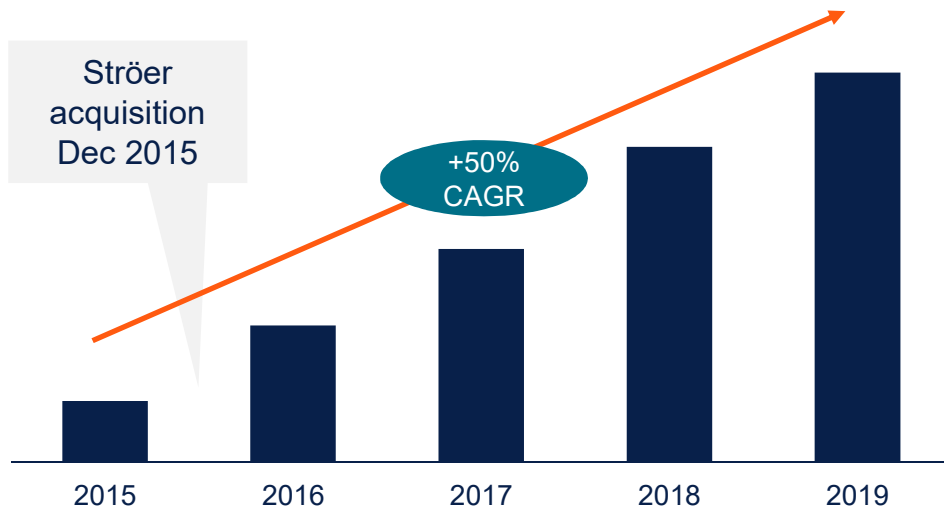


Statista fully on track to achieve full year targets 2019

No.1 Business Data Platform fully on Growth Track

Statista 2019 – KPIs

Dynamic revenue development



- Strong upside potential for both, number of users and ARPU
- CAGR subscriber 2015 – 2019e of 35%
- In developed markets EBITDA margins in the mid thirties

Update HY1/2019

Revenue development in line with plans

- 30 M€ Revenues in HY1; annual target 60-65 M€
- Cashflow positive growth

Net revenue retention ~100%

- In developed markets >100%
- Price uplift for existing customers ~13%

Margin potential

- Ratio cost of sales vs. revenues: 30%
- Ratio cost of new business vs. cost of sales: 80%

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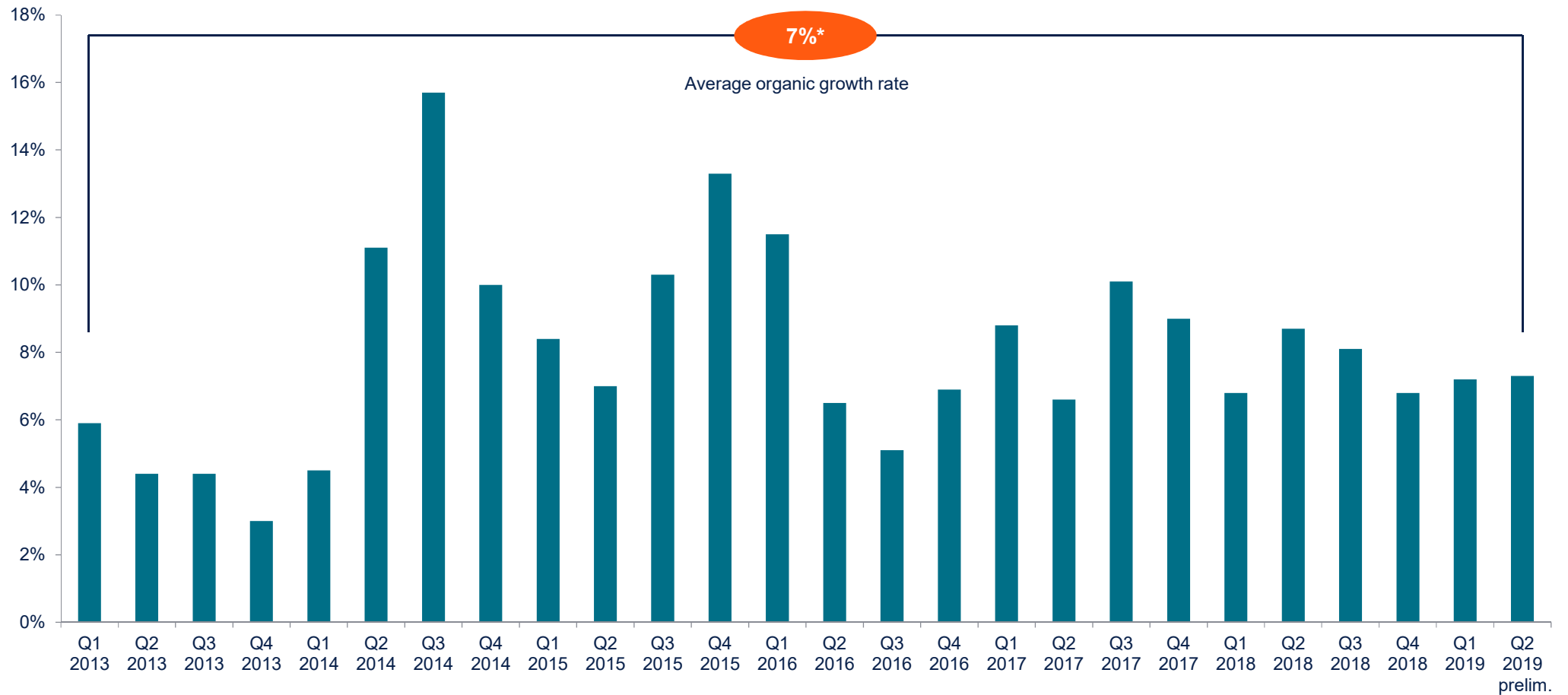
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What is next?

Ströer sustainably outperforming the Ad Industry

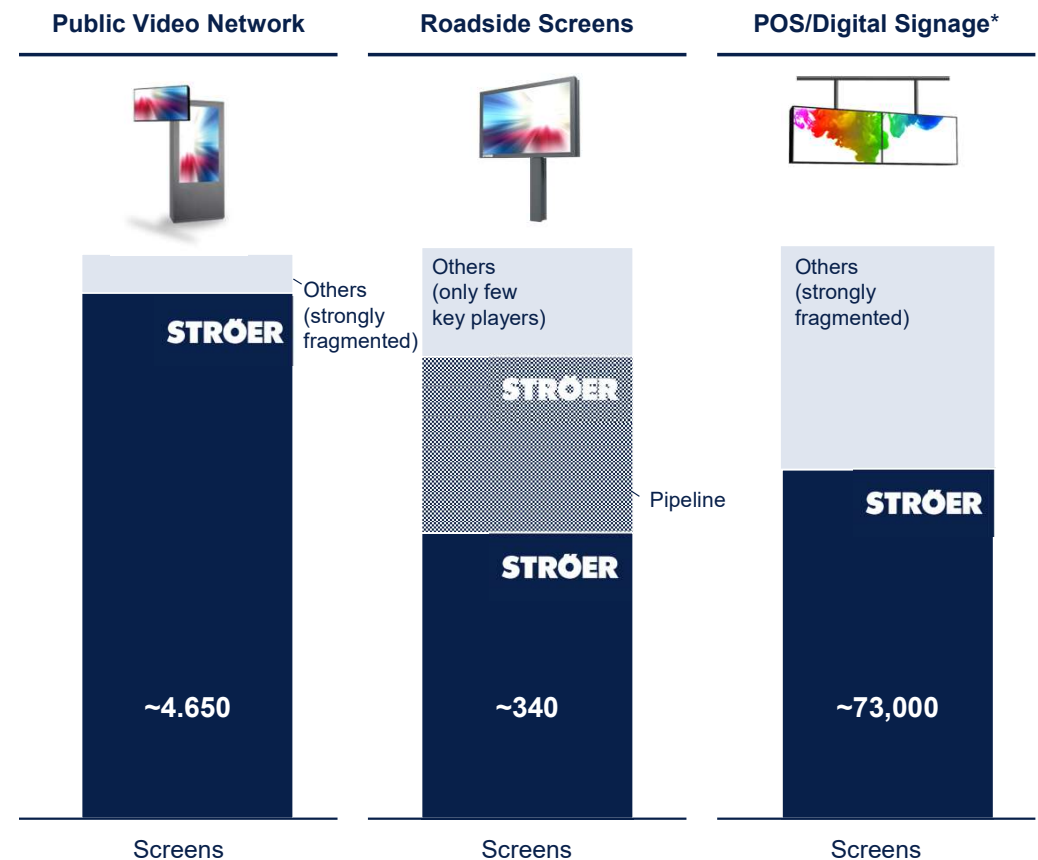
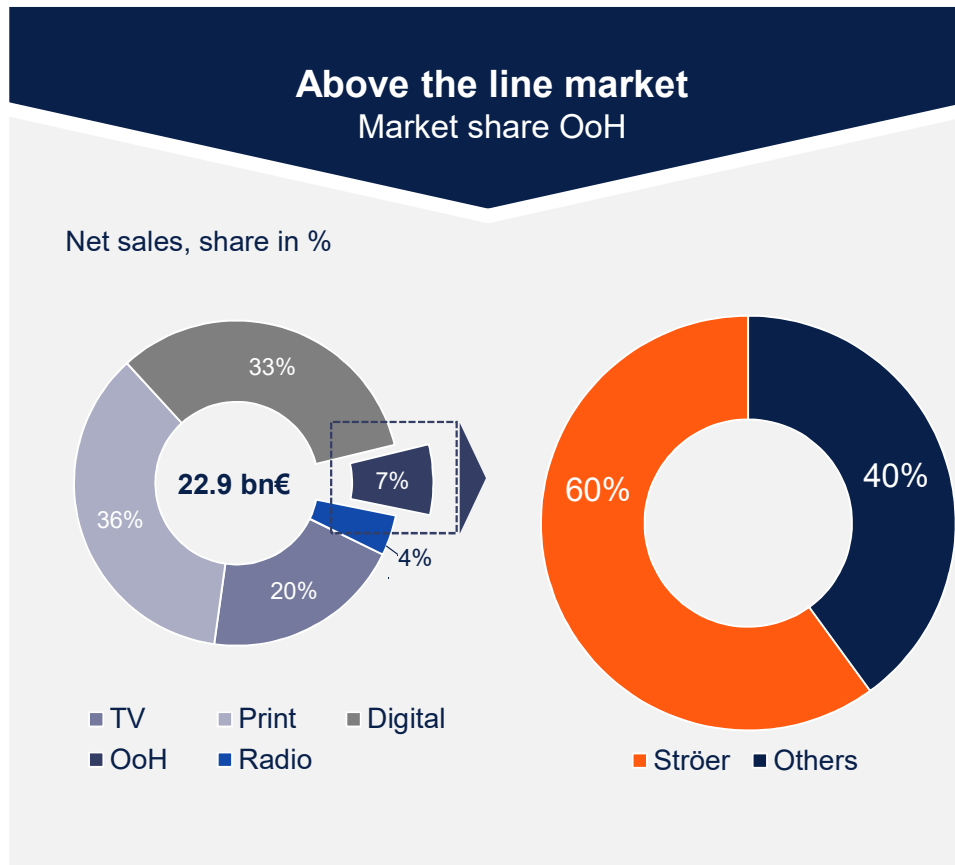
26th Quarter in a Row



Source: Ströer data; *Median

Ströer with unparalleled Position in the Growth Industry OoH

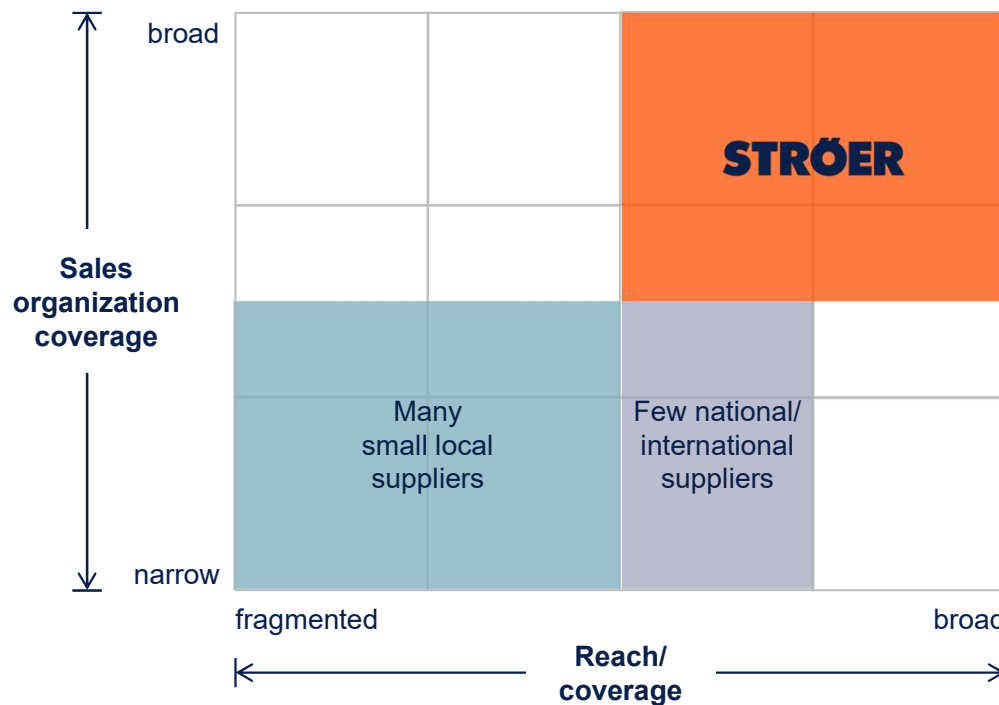
Clear Market Leader overall and overproportional in all DOoH Categories



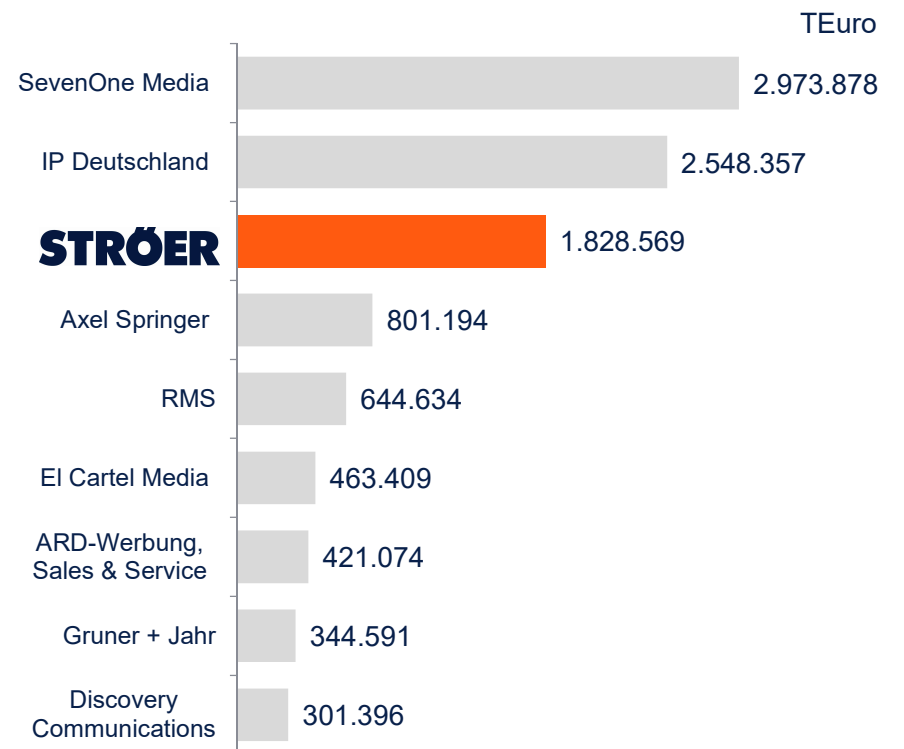
Source: PWC; Nielsen; Schickler Media Index 2019 – Forecast; Online: Display & Video & Search, Ströer data, https://www.dmi-org.com/downloads/Digital_Out_of_Home_Standorte_Screens.pdf; *excluding rights of promotion

Continuously improved Marketing- and Sales-Positioning

Best prepared to fully access local and national Clients



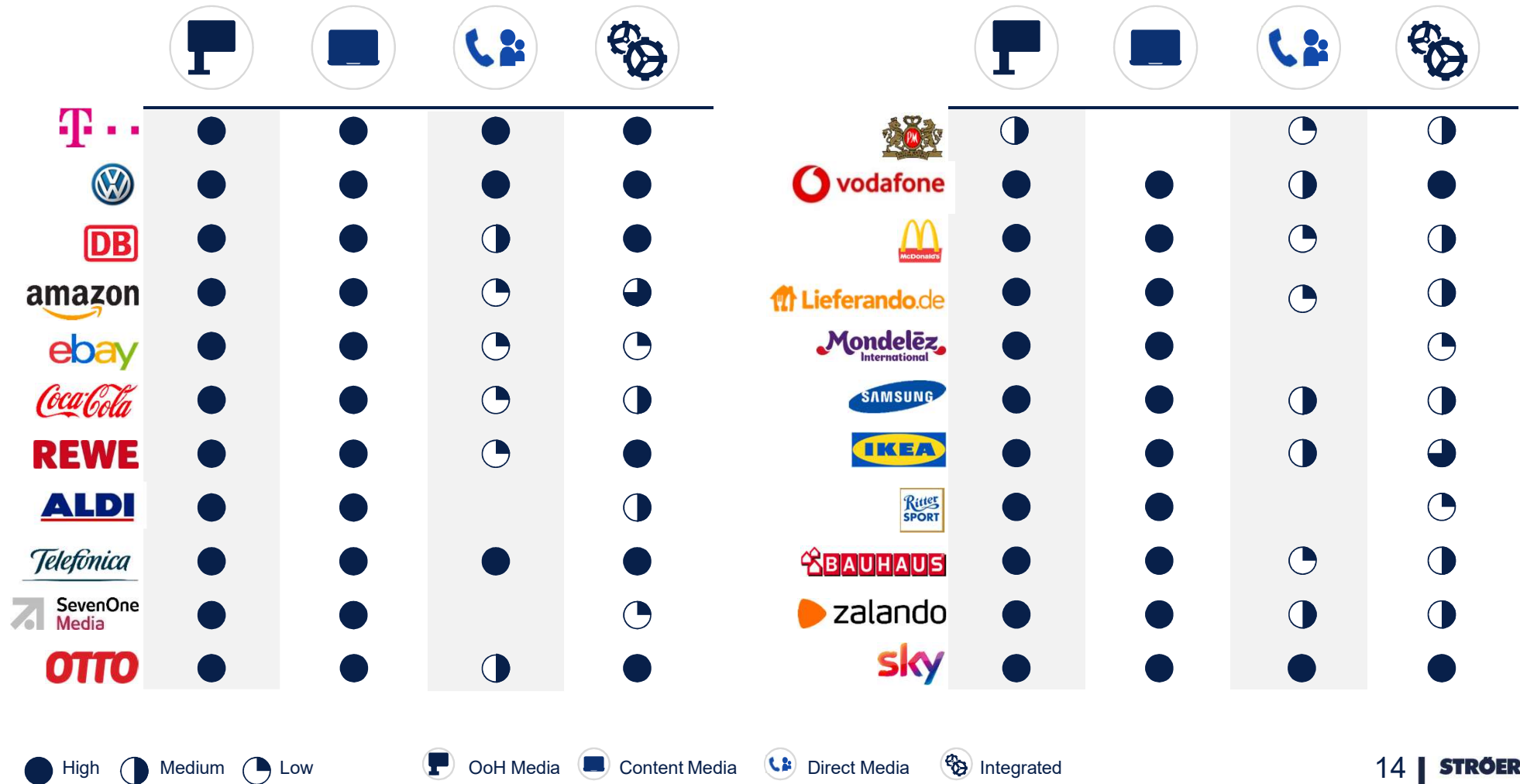
Media sales house ranking Q2 2019



Sources: Nielsen Media Research Gross Advertising, Q1 – Q2 2019 (Germany); cons. gross sales Ströer: OoH Germany + all digital saleshouses of the group

Integrated Key Account Management consequently improved (1)

Maximizing Share of Wallet



Integrated Key Account Management consequently improved (2)

Deploying Innovation

Ebay

Dynamic Public Video payout



Lidl

Provocative brand campaign



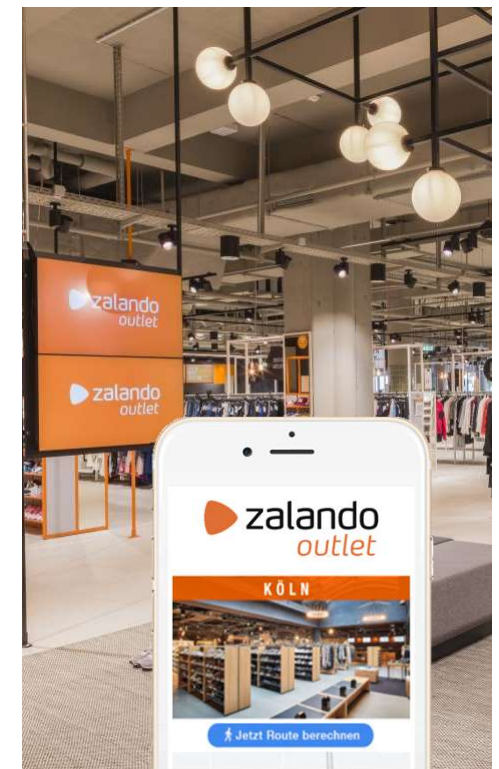
Vattenfall

Customer journey approach



Zalando outlet

Drive-to-store campaign



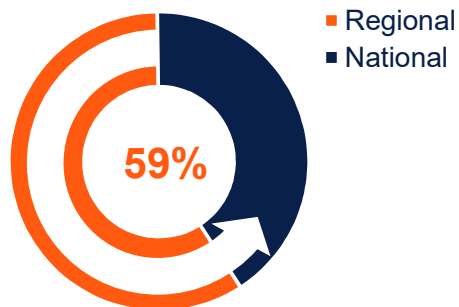
Scaling our local Salesforce (1)

Effectiveness: More People, more Products

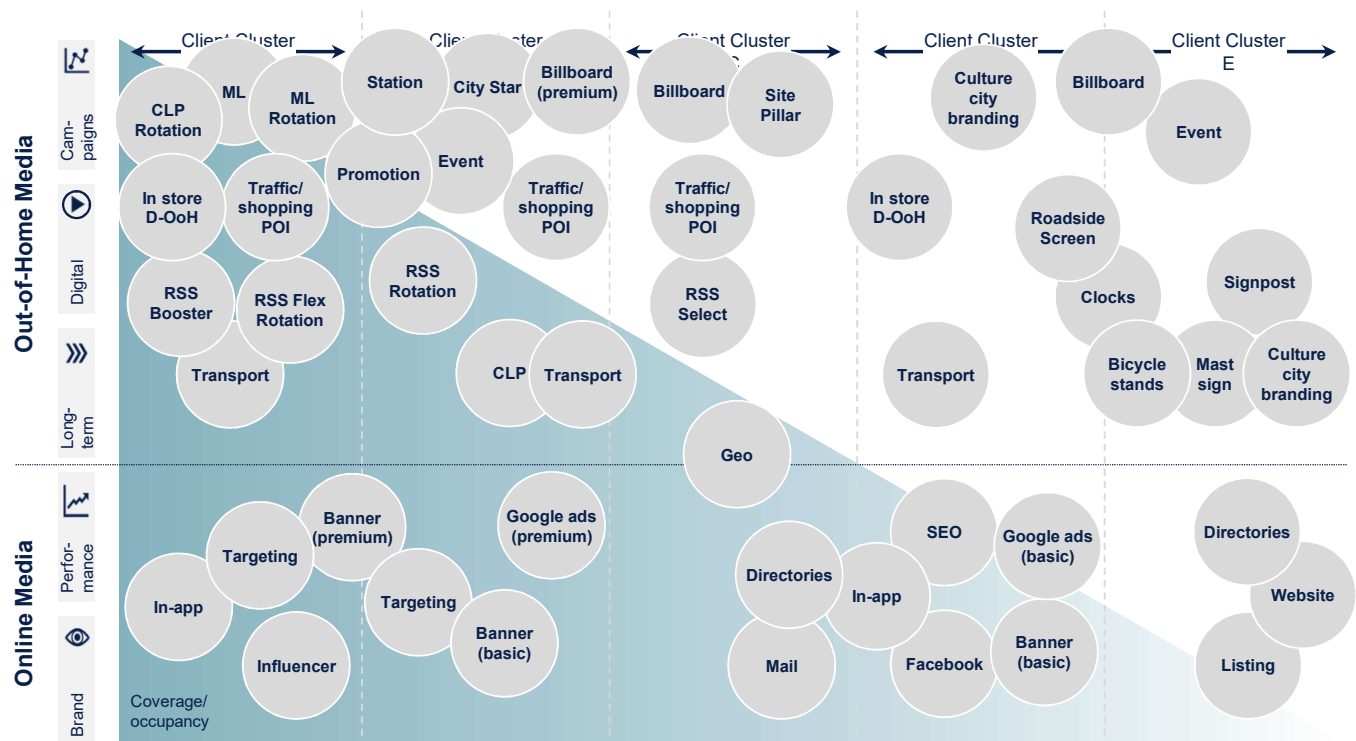
Strong growth of local & digital sales force

Sales team/FTEs	2016	2017	2018	e2019	e2020
Regional consultants	89	118	139	153+	160+
Local sales	243	284	340	670+	850+
"Digital only" consultants	62	58	107	151+	160+
Ströer SME only call center agents	40	35	45	65	70+
TOTAL	434	605	821	1,039+	1,235+

Ströer customer mix (OoH revenues)



Diversified OoH, Online & Direct Media product portfolio across client clusters as well as branding & performance solutions



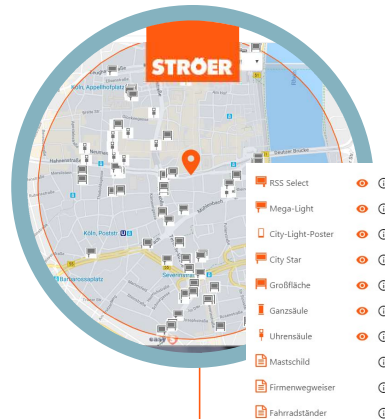
Scaling our local Salesforce (2)

Efficiency: Fully automated local Sales Process (do-it-for-you)

- Displays all clients on google maps with blockers for the hunter (red=blocked, green=available)



- Booking of Out-of-Home media via Google Maps
- Booking of sign media via booking form



- Check adress, contract partner details, payment Terms
- Create Contract

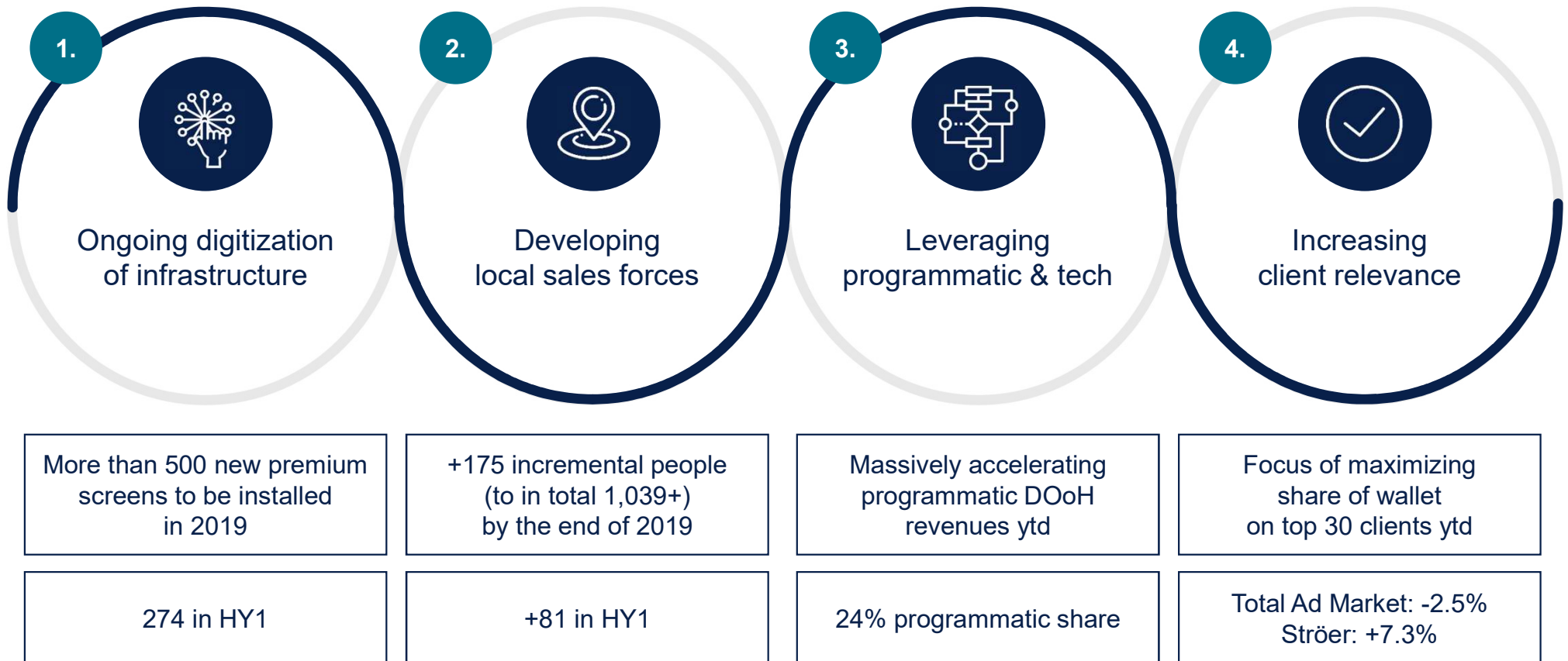


- Printing of signed or unsigned contract or mail to client with contract details



Summary: Sustainable and reliable Business Development

The Core of the OoH+ Strategy



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Profit and Loss Statement Q2 2019

Continuing Operations

m€	Q2 2019	Q2 2018	▲ %	Analysis
Revenues	413.4	396.7	+4%	↑ Expansion driven by 7.3% organic growth
EBITDA (adjusted)	138.5	129.3	+7%	↑ Strong growth
Exceptional items	-6.3	-6.2	-2%	
EBITDA	132.2	123.1	+7%	
Depreciation & Amortization*	-91.4	-87.2	-5%	↘ Larger consolidation scope
EBIT	40.8	35.8	+14%	
Financial result*	-7.2	-8.1	+11%	
Tax result	-5.7	-4.1	-40%	↘ Following higher tax base
Net Income	27.9	23.7	+18%	
Adjustments**	21.8	23.1	-5%	
Net Income (adjusted)	49.7	46.7	+6%	↑ Solid growth – adjusted and non-adjusted

Note: Disposal of OoH Turkey classified as discontinued operations

*Thereof attributable to IFRS 16 in D&A 45.2m€ (PY: 42.5m€) and in financial result 5.3m€ (PY: 5.7m€)

**Adjusted for exceptional items (+6.3m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +19.5m€), in financial result (-0.3m€) and in income taxes (-3.6m€)

Free Cash Flow Perspective Q2 2019

Continuing Operations

m€	Q2 2019	Q2 2018
EBITDA (adjusted)	138.5	129.3
- Exceptional items	-6.3	-6.2
EBITDA	132.2	123.1
- Interest	-7.9	-8.1
- Tax	-12.4	-38.3
-/+ WC	-14.3	+6.5
- Others	-11.4	-3.8
Operating Cash Flow	86.1	79.4
Investments (before M&A)	-27.0	-27.6
Free Cash Flow (before M&A)	59.1	51.8
Lease liability repayments (IFRS 16)**	-39.9	-33.0
Free Cash Flow (adjusted)***	19.2	18.8

Note: Disposal of OoH Turkey classified as discontinued operations

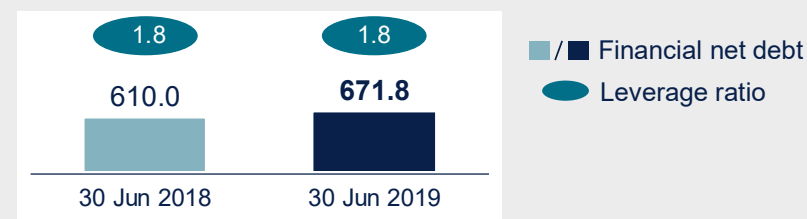
*Net debt and adj. EBITDA of last 12 month adjusted for IFRS 16

**Part of cash flow from financing activities

***Before M&A and incl. IFRS 16 lease liability repayments

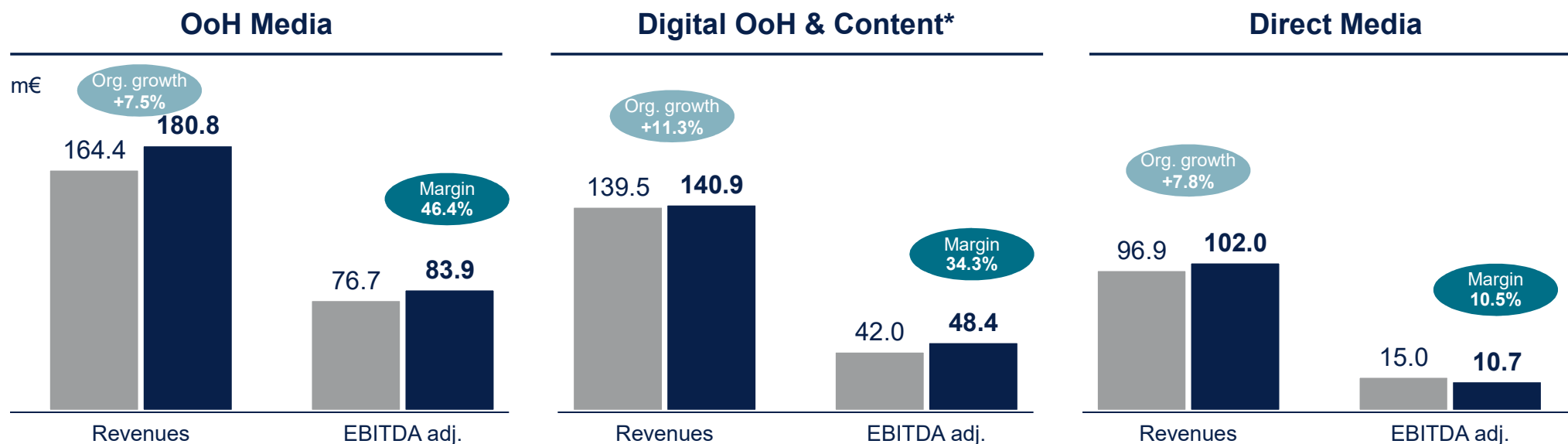
Comment

- H1 with strong Free Cash Flow improvement from 3 to 38m€; Q2 slightly above previous year
- Q2 with various phasing effects between quarters, mainly in WC
- Tax payments according to plan; high one-time tax payment in previous year
- Investments into internal growth opportunities in line with previous year
- Bank leverage ratio* stable at 1.8:



Segment Perspective Q2 2019 – Sustainable Growth Momentum

Continuing Operations



- OoH Media with excellent performance in Q2 from strong customer demand across all sales channels
- Strong profitable growth of Digital OoH overcompensates portfolio changes within the segment
- Sustainable organic growth in Direct Media against strong prior year and portfolio changes

Note: Disposal of OoH Turkey classified as discontinued operations
 *Formerly Content Media

■ Q2 2018 ■ Q2 2019 ■ Organic growth rate ■ Margin

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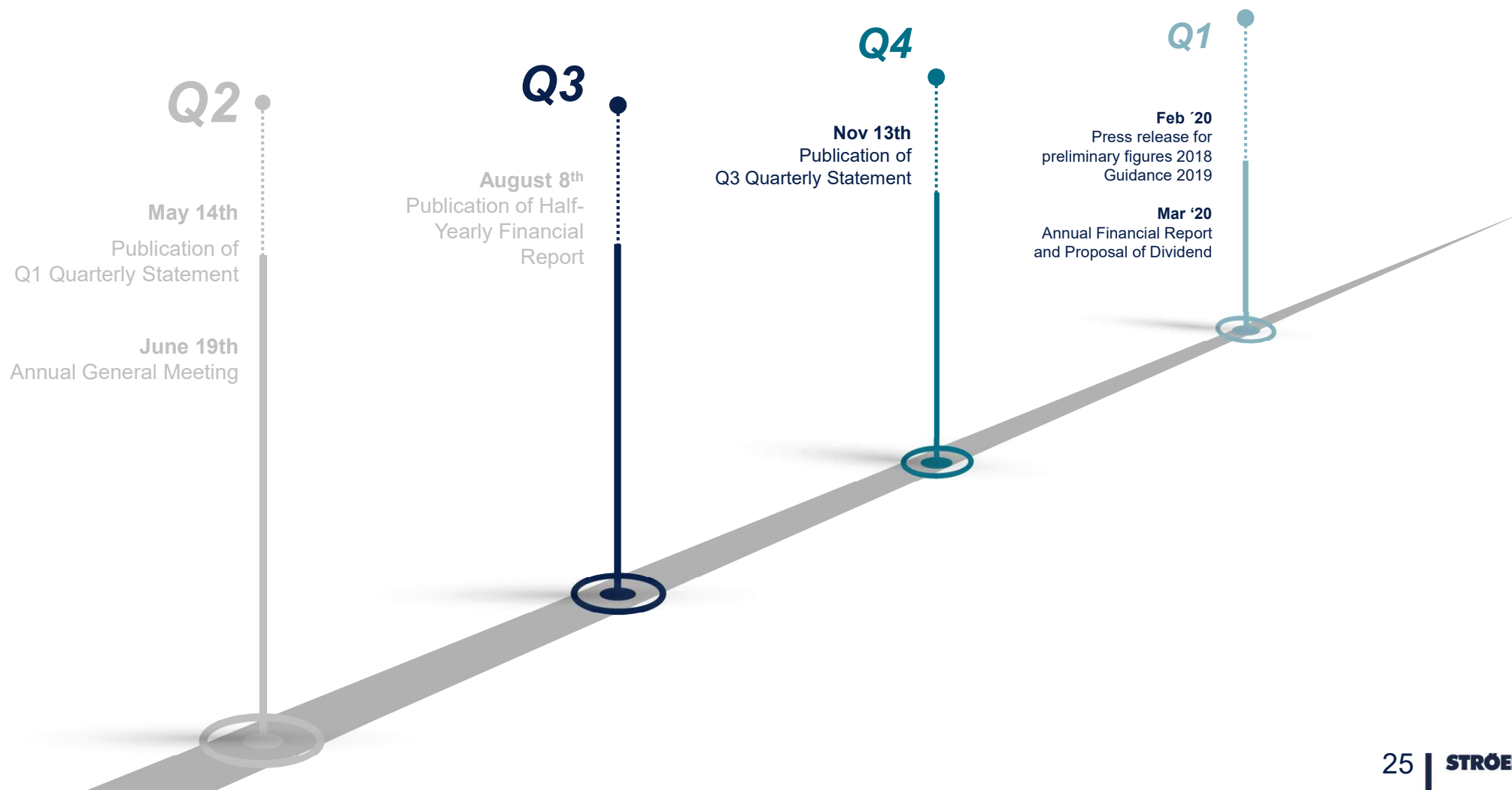
What is next?

Ströer Group's Key Performance Indicators – Guidance 2019*

- We confirm our guidance of mid-single digit growth for the second half of the year

*incl. IFRS changes

Financial Calendar 2019





STRÖER

APPENDIX



Profit and Loss Statement 6M 2019

Continuing Operations

m€	6M 2019	6M 2018	▲ %
Revenues	787.4	725.9	+8%
EBITDA (adjusted)	256.0	236.9	+8%
Exceptional items	-14.6	-14.9	+2%
EBITDA	241.4	222.0	+9%
Depreciation & Amortization*	-175.8	-164.9	-7%
EBIT	65.6	57.0	+15%
Financial result*	-14.9	-15.8	+6%
Tax result	-8.9	-5.9	-52%
Net Income	41.8	35.4	+18%
Adjustments**	42.2	43.1	-2%
Net Income (adjusted)	84.0	78.5	+7%

Note: Disposal of OoH Turkey classified as discontinued operations

*Thereof attributable to IFRS 16 in D&A 87.3m€ (PY: 82.4m€) and in financial result 10.6m€ (PY: 11.0m€)

**Adjusted for exceptional items (+14.6m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +34.6m€), in financial result (-0.1m€) and in income taxes (-6.9m€)

Free Cash Flow Perspective 6M 2019

Continuing Operations

m€	6M 2019	6M 2018
EBITDA (adjusted)	256.0	236.9
- Exceptional items	-14.6	-14.9
EBITDA	241.4	222.0
- Interest	-13.8	-13.9
- Tax	-23.6	-41.5
-/+ WC	-21.9	-6.1
- Others	-8.4	-7.5
Operating Cash Flow	173.7	153.0
Investments (before M&A)	-47.0	-60.0
Free Cash Flow (before M&A)	126.7	93.0
Lease liability repayments (IFRS 16)*	-89.0	-89.9
Free Cash Flow (adjusted)**	37.7	3.1

Note: Disposal of OoH Turkey classified as discontinued operations

*Part of cash flow from financing activities

**Before M&A and incl. IFRS 16 lease liability repayments

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