

**STRÖER**

Das Vollbild-  
Smartphone.

Leistungsstark: Motorola RAZR™  
mit Intel Inside®.

MOTOROLA  
RAZRi



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RAZRi



**KEPLER CHEUVREUX  
GERMAN CORPORATE CONFERENCE**

20.01.2014 | Frankfurt

# Agenda

## 1 Current trading

## 2 Outdoor business

- Germany
- Digital OoH
- Turkey, Poland and other markets

## 3 Online business

- Buy & build strategy: current status
- Video & premium sales business
- Most recent acquisitions

## 4 Q4 2013 guidance statement

# Ströer Group developments in Q3 2013



## Operational developments

- Official launch of Ströer primetime at the dmexco
- Successful internationalization of our online strategy into our core foreign markets
- Acquisition of mbr targeting recently closed (to be first time consolidated in Q4)



## Financials

- Total revenue growth of 15.6%, with 4.4% underlying organic revenue growth
- Revenue contribution of EUR 18.3m from our online segment in line with our expectations
- Total operational EBITDA increased by EUR 2.6m to EUR 20.3m
- Improved operational EBITDA margin from 13.6% to 15.2% in OOH
- Net adjusted income at EUR 3.3m (up 3.4m EUR y-o-y)

## Improved OOH trading in 9M 2013

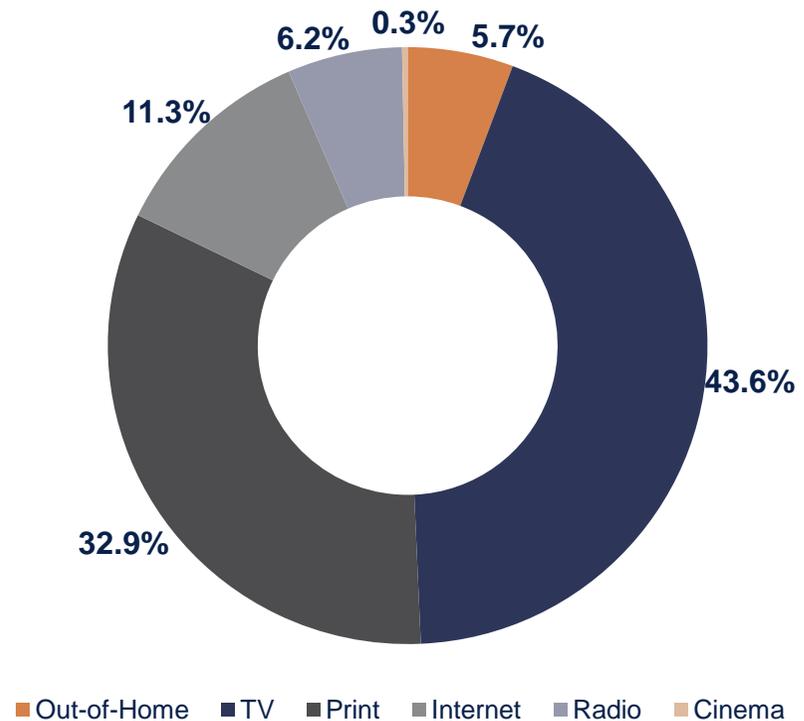
€ MM	9M 2013	9M 2012	Change
Revenues	439.3	397.4	+10.5%
Organic growth <sup>(1)</sup>	4.8%	-5.1%	
Operational EBITDA	67.7	58.5	+15.8%
Net adjusted income <sup>(2)</sup>	13.1	2.8	>+100%
Investments <sup>(3)</sup>	26.6	30.1	-11.4%
Free cash flow <sup>(4)</sup>	-20.0	-7.5	<-100%
Net debt <sup>(5)</sup>	339.8	317.5	+7.0%
Leverage ratio	2.9x	3.0x	-1.7%

Notes: (1) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations; (2) Operational EBIT net of the financial result adjusted for exceptional items, amortization of acquired intangible advertising concessions and the normalized tax expense (32.5% tax rate); (3) Cash paid for investments in PPE and intangible assets; (4) Free cash flow = cash flows from operating activities less cash flows from investing activities; (5) Net debt = financial liabilities less cash (excl. hedge liabilities)

# OOH gaining market share in Germany:

- OOH market share increased from 4.9% to 5.7%\* (as per Nielsen gross spend) in the first nine months of this year
- Total advertising spend increased by 1.7%\*\*
- LG and Napapijiri newly acquired in the recent quarter

**Market share of media channels at 9M 2013**



**New clients acquired in 9M 2013:**



\* Source: Nielsen gross advertising spend figures (09/13)

\*\* Source: Invidis

# Expansion of our digital portfolio offering (>9% of our 9M revenue in Germany)

## Recent new installations OC Mall:

- Skyline Plaza Frankfurt
- 54 screens – 120,000 visitors per week
- Centro Oberhausen
- 10 screens – 422,000 visitors per week
- Currently ~1,500 OC screens in Germany

## High reach attained

- Reach nationwide: ~19.2m
- 85% of people entering a shopping centre have recognised digital advertising media<sup>1)</sup>

## Direct access to customers on their purchasing journey



# Ströer Digital OOH Germany

848 customer bookings in 2013

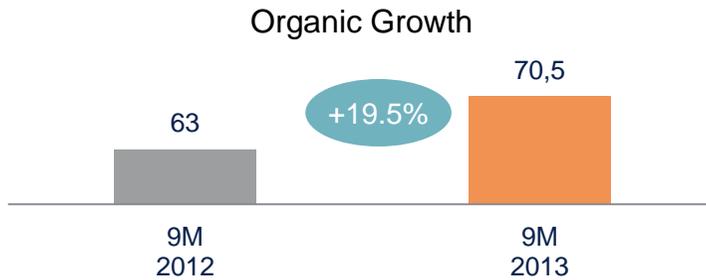
400 new customers in 2013 ~ € 8,400k revenue

On average 27% of the monthly order book is generated in the month running

Lead time (offer to contract) 10 days

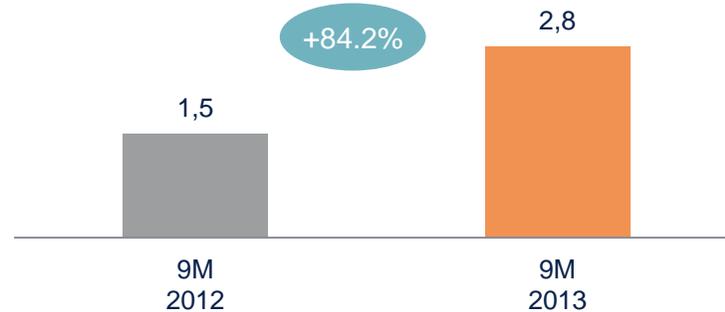
# OoH in Turkey & Other - Increasing topline performance & improved operational EBITDA

## REVENUES SEGMENT TURKEY € MM



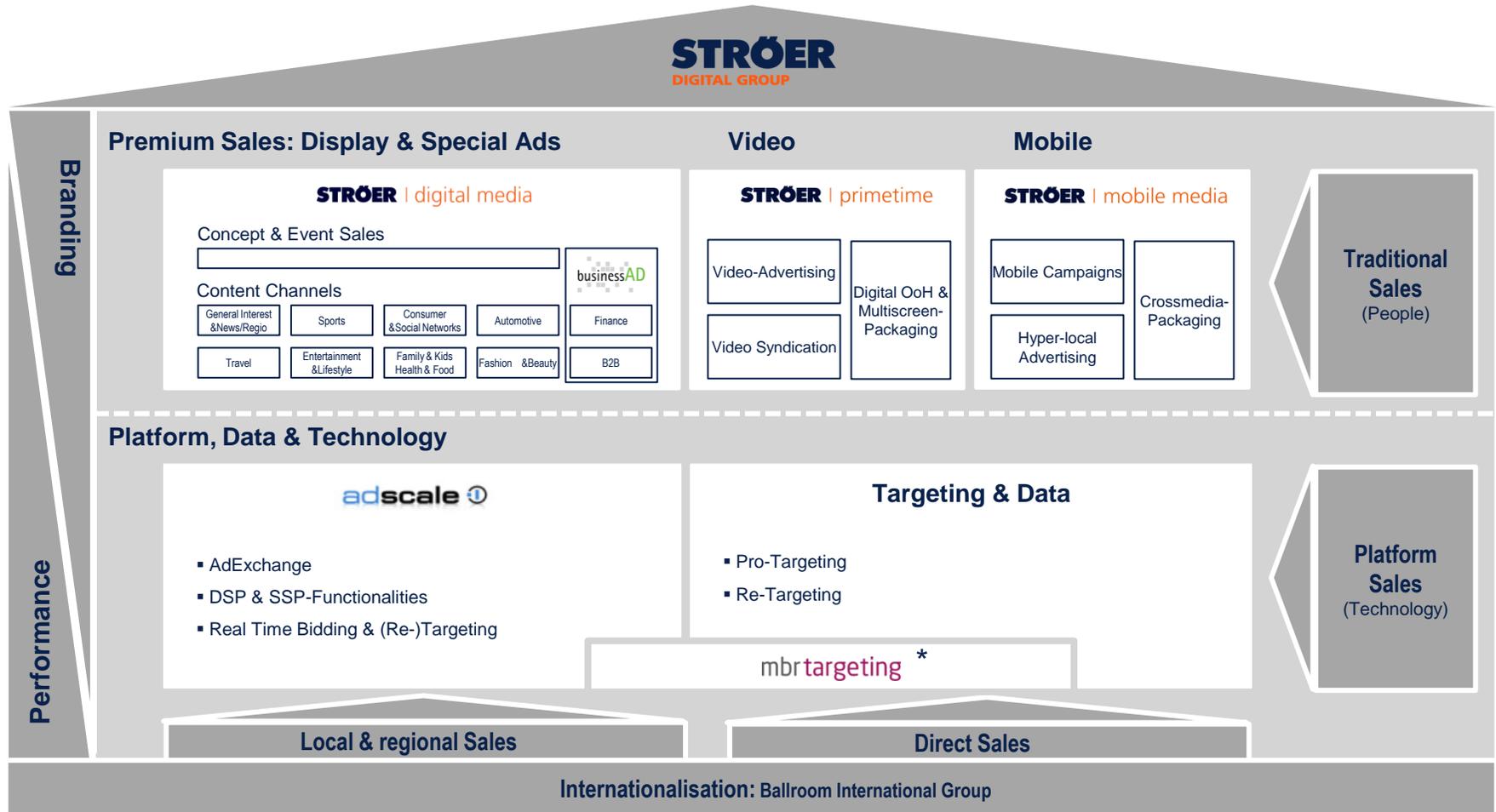
- Continuously strong sales momentum on regional and national levels
- Expansion of last years Istanbul capacity spilling over to revenue performance
- Positive market sentiment on new product offerings boost demand in Istanbul

## OPERATIONAL EBITDA SEGMENT OTHER € MM

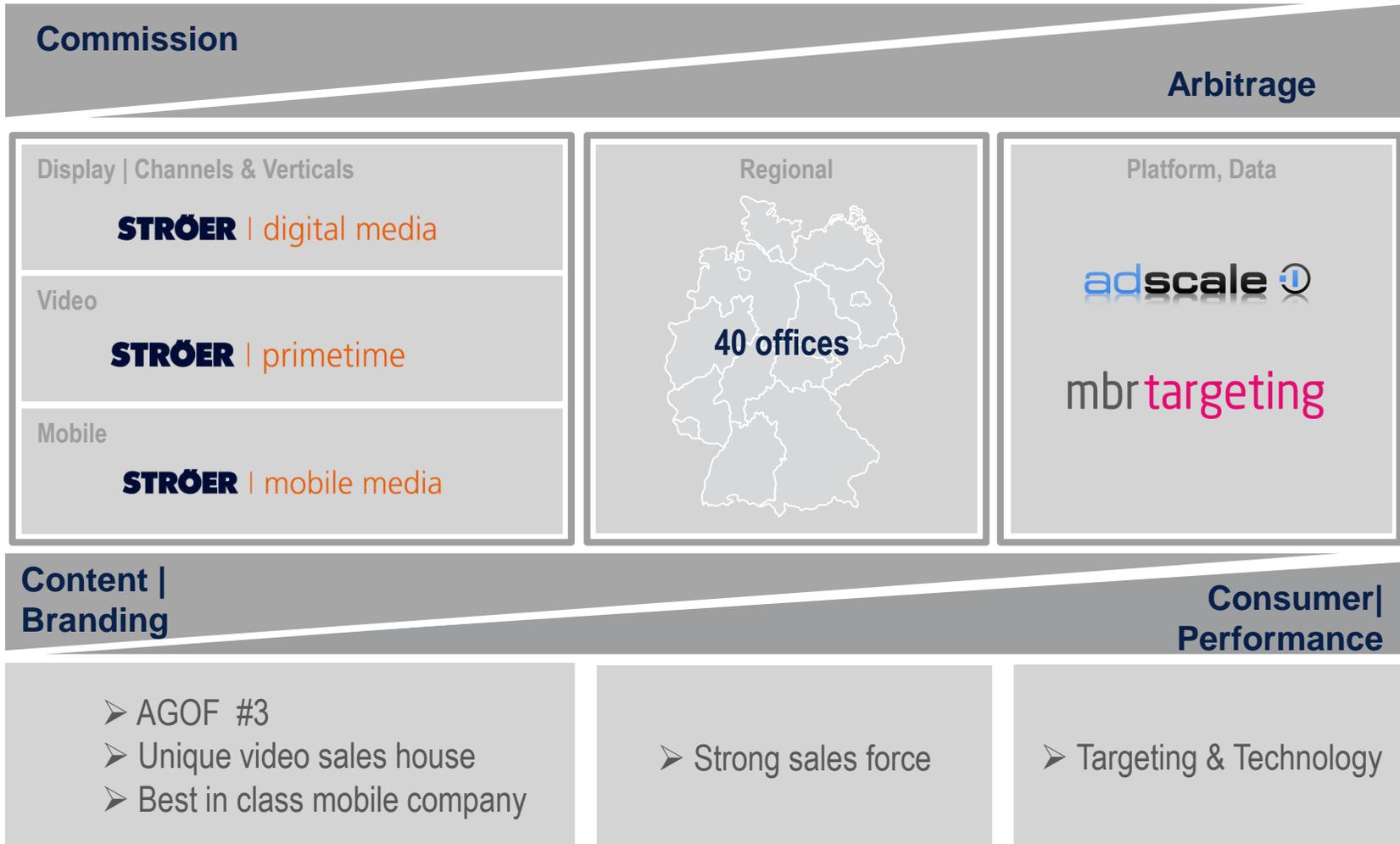


- BlowUP with strong topline performance boosting operational EBITDA
- Ströer Poland suffering from continuously soft market dynamics
- Rigorous cost saving measures resulting in improved operational EBITDA in Poland

# Current status



# Arbitrage and commission revenue model in place



# Leveraging our multi-screen capacity

## Recent launch of Ströer primetime

### The Big Bang Formula



**Infoscreen**

~140m Als\*



**OC-Station**

~320m Als\*

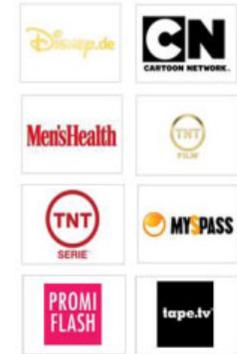


**OC-Mall**



**Online**

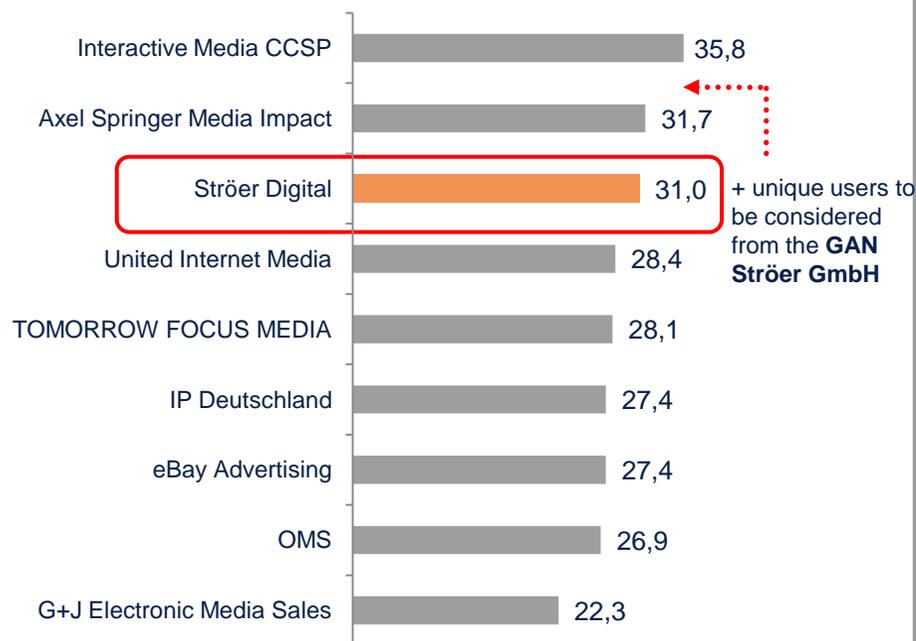
~50m Als\*



**= 500 Mio. Video Als\*/per week**

# Strong inventory of around 300 websites in Germany

## Unique users\* per month October (AGOF\*\*)



- ~29 m unique users
- ~53% reach
- ~1.5 bn page impressions
- Latest new websites juraforum.de, weblogit.net, zapitano.de, touchscore.de, combined unique users of 1.5m

## Publishers by segment

<b>Business &amp; Finance</b> (~10 publishers) 	<b>Sports</b> (~60 publishers) 
<b>Travel</b> (~35 publishers) 	<b>Family &amp; Kids</b> (~30 publishers) 
<b>Digital Entertainment</b> (~50 publishers) 	<b>Fashion&amp;Beauty</b> (included in consumer) 
<b>Consumer &amp; Social Networks</b> (~50 publishers) 	<b>Automotive</b> (~30 publishers) 
<b>Business &amp; B2B</b> (~20 publisher) 	

\* Individuals who have visited a Web site (or network)

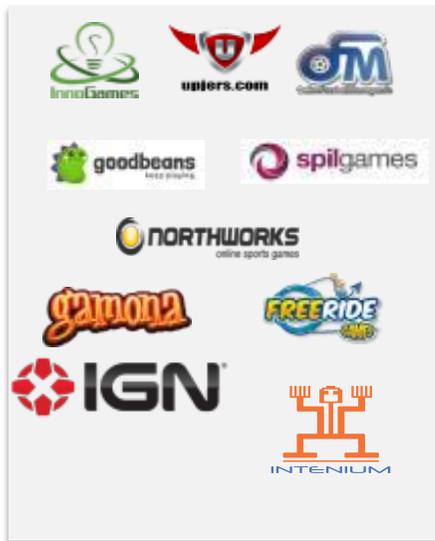
\*\* Source: AGOF internet facts 10-2013, The Arbeitsgemeinschaft Online Forschung, affiliation of leading online marketers in Germany

\*\*\* BusinessAD

# Deepening our content channels

## Acquisition of Game Ad Net

### Games & Portals



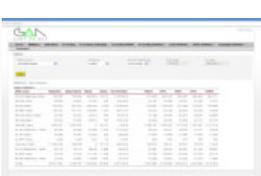
### Brands / Advertisers



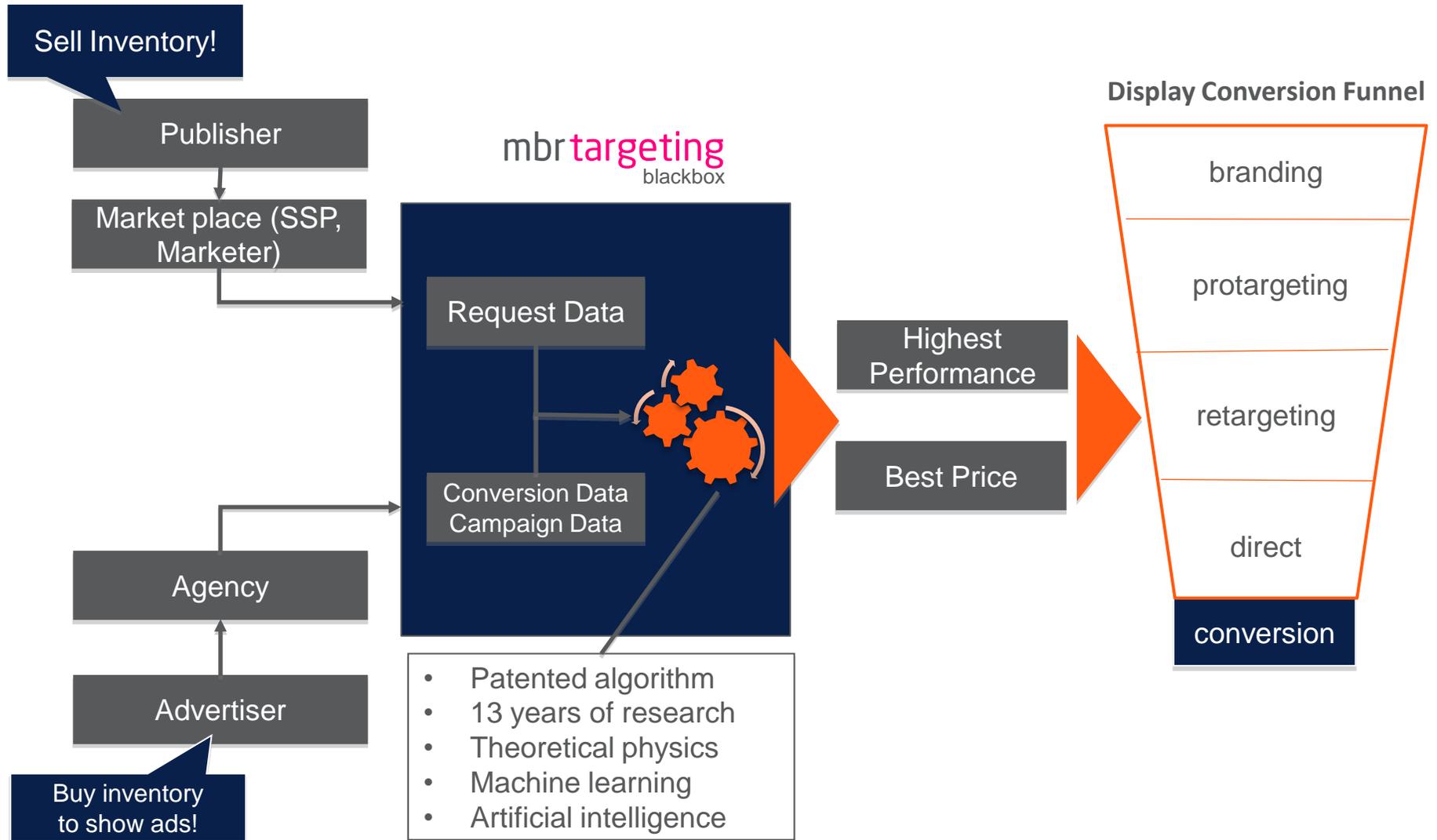
- ~5 EURm revenue in 2013
- Fastest growing market segment\*\*
- ~25 million people engage in online/mobile Gaming in Germany\*\*\*

\* To be consolidated as GAN Ströer GmbH in Q1 2014  
 \*\* Source: Nielsen Net Res, DFC Intelligence, 2011, PwC, Digi-Capital  
 \*\*\* Source: Company estimates

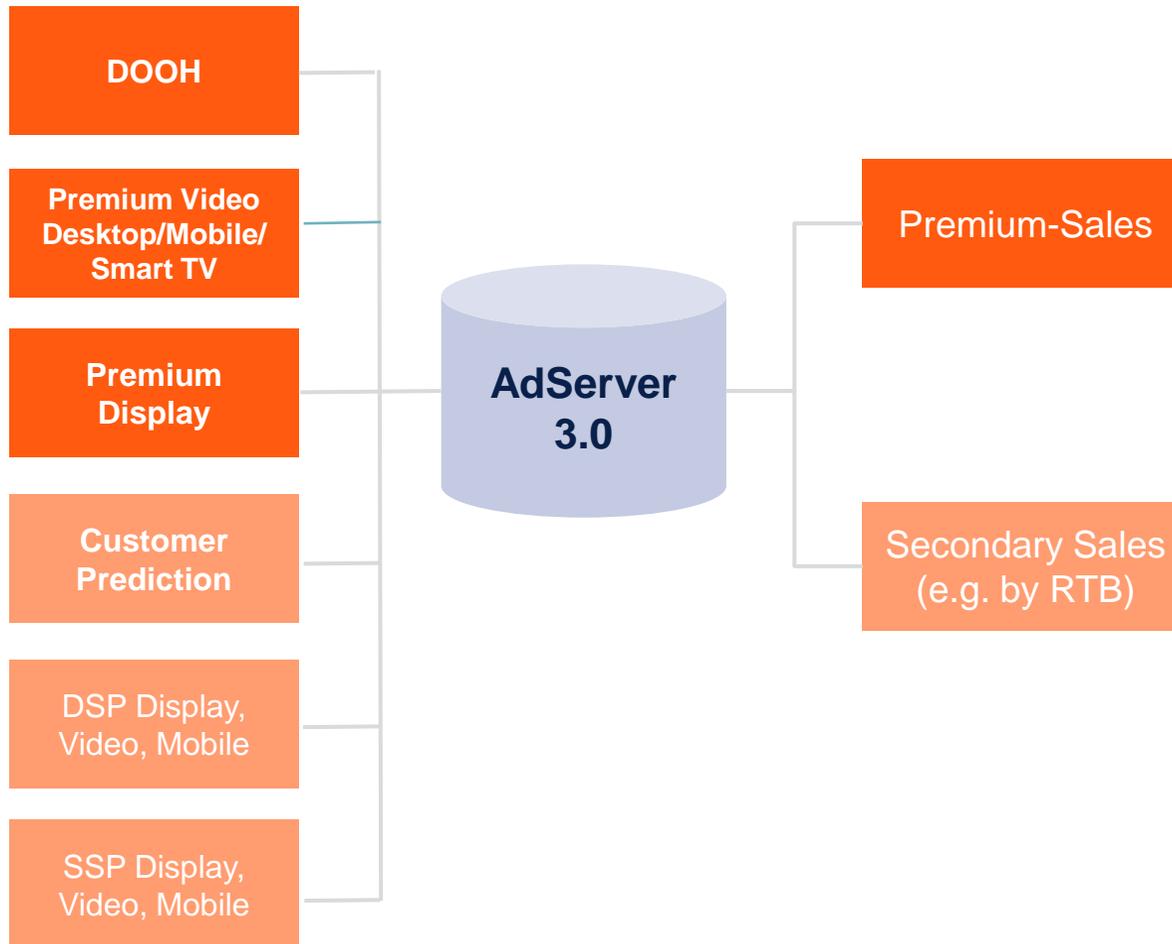
# Offering full-service gaming solutions

<b>I. Advertising Solutions</b>	<b>In-Game Ads</b>	<ul style="list-style-type: none"> <li>✓ In-Game Sponsoring</li> <li>✓ In-Game Event</li> </ul>	 
	<b>Display Ads</b>	<ul style="list-style-type: none"> <li>✓ IAB Standards</li> <li>✓ Rich Media</li> <li>✓ Performance</li> </ul>	 
	<b>Video Ads</b>	<ul style="list-style-type: none"> <li>✓ In-Game Video</li> <li>✓ Standard Video-Ads</li> </ul>	 
<b>II. Monetization Solutions</b>	<b>Full-Service Solutions for Publishers</b>	<ul style="list-style-type: none"> <li>✓ Ad Monetization</li> <li>✓ Specialized Sales House</li> <li>✓ Ad Unit Innovations</li> </ul>	 
<b>III. Technology Solutions</b>	<b>Development of Proprietary Technology</b>	<ul style="list-style-type: none"> <li>✓ Ad Serving Infrastructure</li> <li>✓ Dedicated Video Ad Serving Technology</li> <li>✓ Affiliate Platform</li> </ul>	 

# Acquiring proprietary technology - mbr targeting



# Our target 3.0 - Synchronisation of our technology on to a modular platform



- Connection of each individual system and interface
- Planning and extension of group-wide campaigns from one central platform
- Group wide aggregation of data and optimisation of campaigns
- Implementation of group-wide research studies

# Internationalising our business model - acquisition of Ballroom International

- No 1 independant sales house in Poland and Turkey
- ~ EUR 25m\* of revenue (~80% of total revenue) generated in Turkey and Poland
- Proprietary technology
- Significant know-how and product technology

	Display sales (~70% of sales)	Performance marketing/ Search engine marketing (~ 20% of sales)	Video advertising and Other (~10% of sales)
	PL   TR 	  	
<b>Revenue stream</b>	CPM	CPL/CPO	CPV
<b>Market position</b>	#1 Turkey #1 Poland	#1 Turkey #2 Poland	#1 Turkey
<b>Target group</b>	Agencies	Direct clients	TV Advertisers/ Agencies

For the fourth quarter of this year, we expect revenues in the Out-of-Home segment to be flattish due to the comparably strong fourth quarter the year before, while we expect increasing revenue contributions from the Online segment.

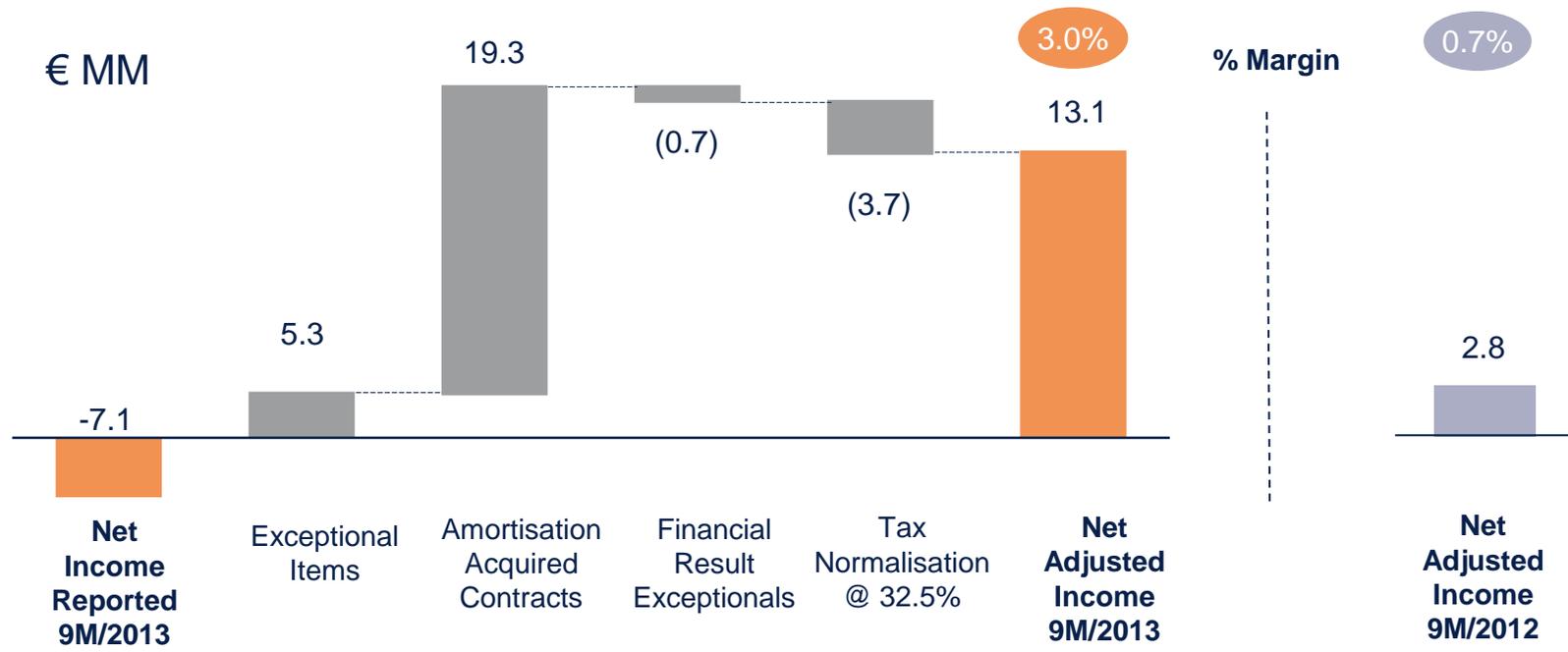
# Appendix



## Solid revenue performance and improved operational EBITDA

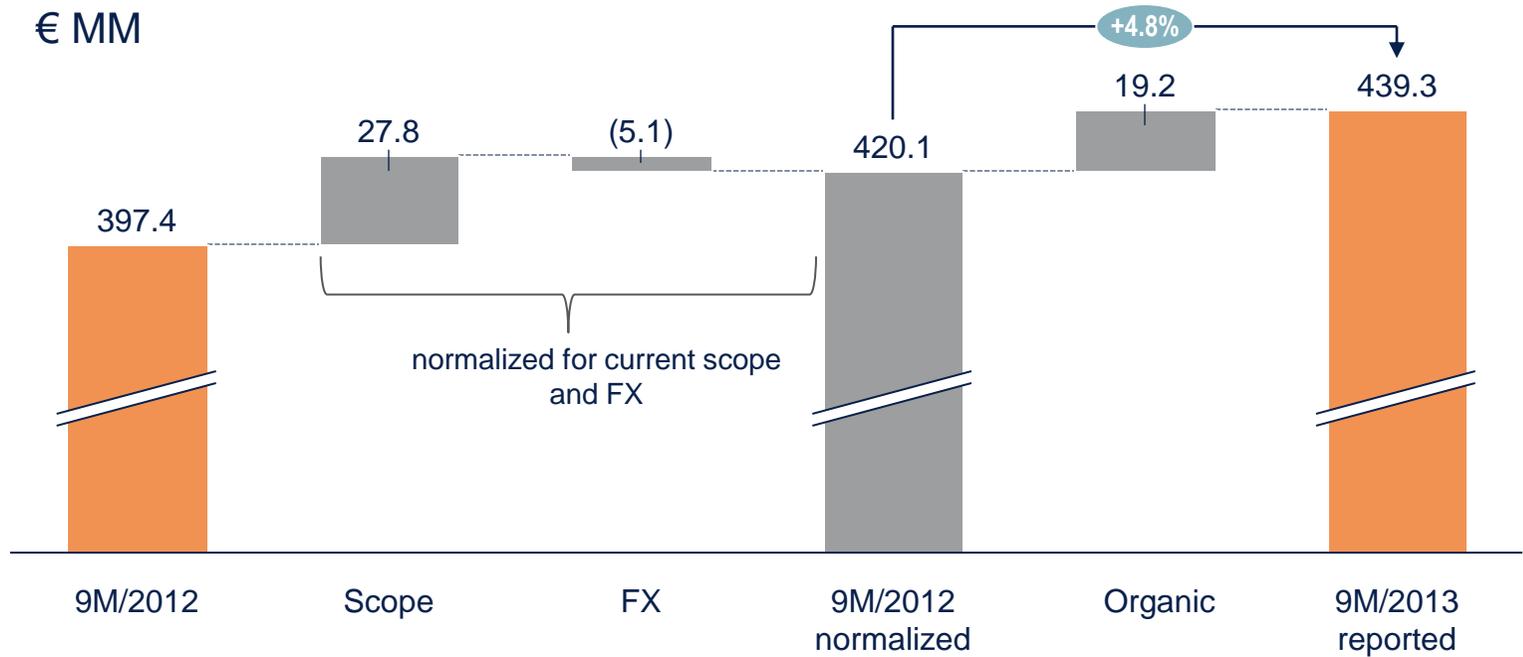
(€ MM)	9M 2013	9M 2012	Change (%)
<b>Revenues</b>	<b>439.3</b>	<b>397.4</b>	<b>+11</b>
Direct costs	-265.3	-240.9	-10
SG&A	-110.2	-101.4	-9
Other operating result	3.9	3.3	+17
<b>Operational EBITDA</b>	<b>67.7</b>	<b>58.5</b>	<b>+16</b>
<i>Margin %</i>	<i>15.4</i>	<i>14.7</i>	
Depreciation	-28.8	-27.5	-5
Amortisation	-23.0	-22.4	-3
Exceptional items	-5.3	-3.2	-63
<b>EBIT</b>	<b>10.6</b>	<b>5.4</b>	<b>+97</b>
Net financial result	-15.1	-26.0	+42
Income taxes	-2.6	3.3	n.d.
<b>Net income</b>	<b>-7.1</b>	<b>-17.4</b>	<b>+59</b>
<b>Net adjusted income</b>	<b>13.1</b>	<b>2.8</b>	<b>&gt;+100</b>
<i>Margin %</i>	<i>3.0</i>	<i>0.7</i>	

# Group net adjusted income increased due to better underlying profits and further improved financial result



- Key adjustment representing amortization of acquired concessions (PPA effect)
- Exceptional items include one-off costs for online acquisitions and efficiency measures
- Adjustment of financial result mainly due termination of interest hedges and net revaluation effects from FX movements in 9M/2013

# Group organic revenue up by 4.8%



- Positive out of home revenue development in Germany and Turkey
- Scope effects solely from online acquisitions
- Significant effects from devaluations of Turkish Lira in Q2 and Q3

# Stronger demand for Billboard and Transport products

## BILLBOARD

€ MM

Reported % **+2.6%**



## STREET FURNITURE

€ MM

Reported % **+0.2%**



## TRANSPORT

€ MM

Reported % **+9.4%**



## ONLINE

€ MM

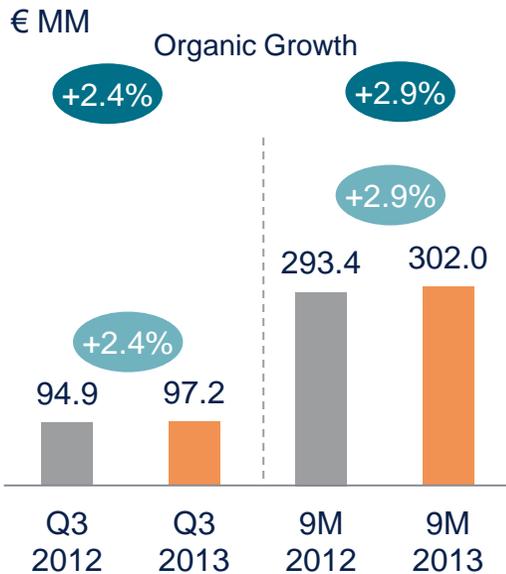
Reported % **n.d.**



- Billboard revenues driven by robust demand in Turkey and new Istanbul assets
- Accelerated demand for large formats and digital products
- Substantial improvement in Transport fuelled by digital assets

# Ströer Germany: Revenues up in a muted market backed by demand for digital products and regional sales

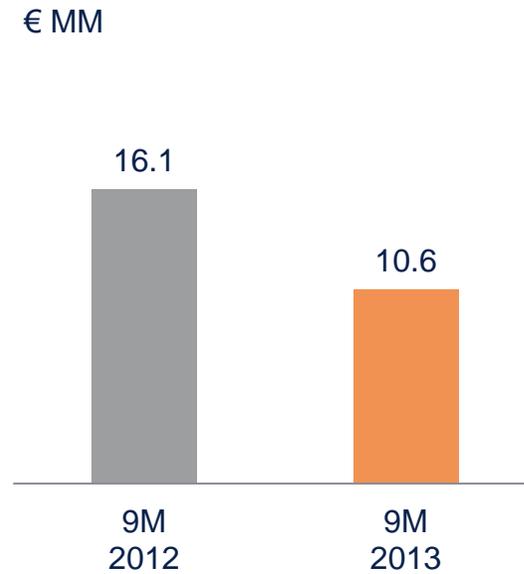
## REVENUES



## OPERATIONAL EBITDA



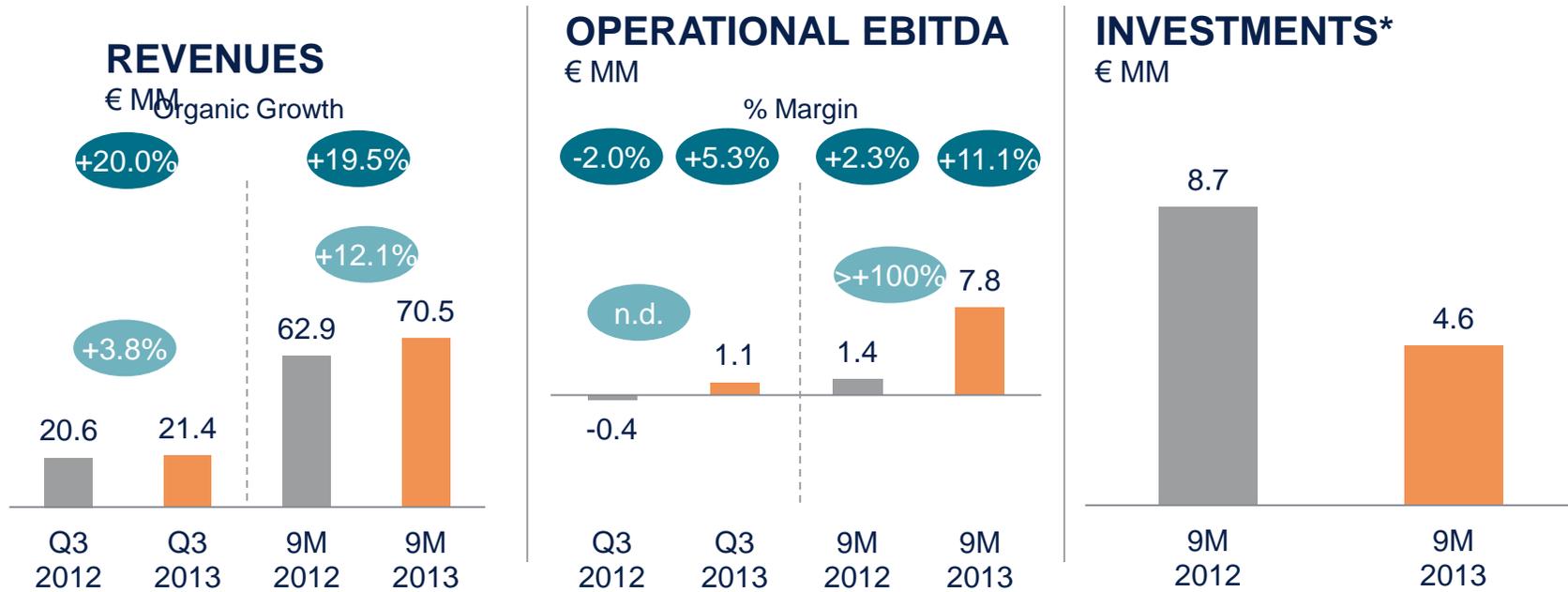
## INVESTMENTS\*



- Gaining momentum in premium billboard products in Q3/2013
- Increased revenues with regional clients driven by sales initiatives
- Double-digit revenue increase of digital products in 9M/2013 leading to an increased share of digital revenues from 8% in 9M/2012 to 9% in 9M/2013

\* Cash paid for investments in PPE and intangible assets

# Ströer Turkey: Continued growth driven by new assets and product launches in a robust market environment



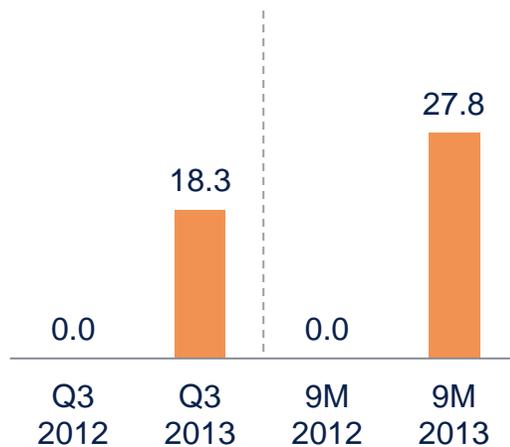
- Continuously strong sales momentum on regional and national levels
- Positive market sentiment on new product offerings boost demand in Istanbul
- Moderate Capex spending after strong prior year investments in Istanbul ramp-up

\* Cash paid for investments in PPE and intangible assets

# Ströer Online: New reporting segment enlarged by international activities in core markets

## REVENUES

€ MM



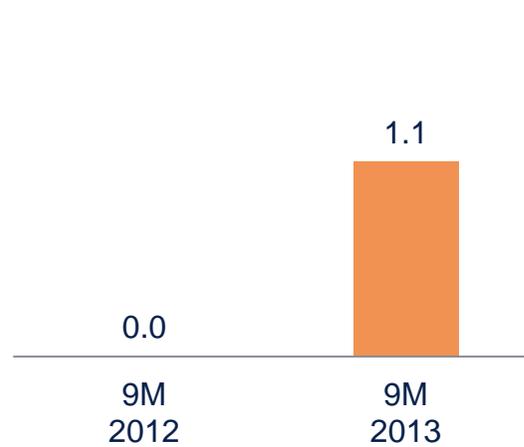
## OPERATIONAL EBITDA

€ MM



## INVESTMENTS\*

€ MM



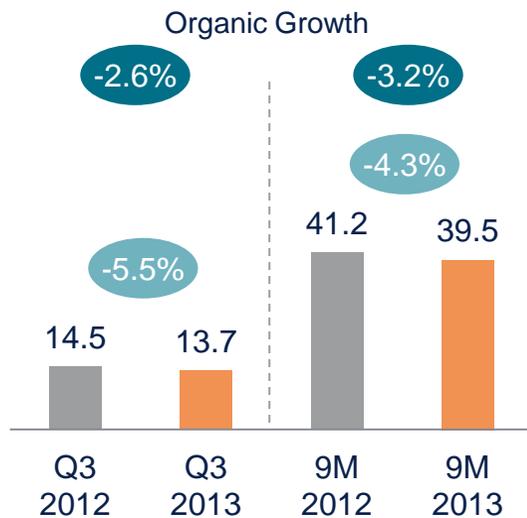
- Includes pro-rata revenue and EBITDA contributions of adscale, Ströer Digital Media, Ströer Mobile Media as well as Ballroom International
- New management structure defined and continuing post merger integration activities
- Revenues and EBITDA contribution in line with expectations

\* Cash paid for investments in PPE and intangible assets

# Ströer Other\*: Strong Revenue and EBITDA contribution from BlowUP

## REVENUES

€ MM



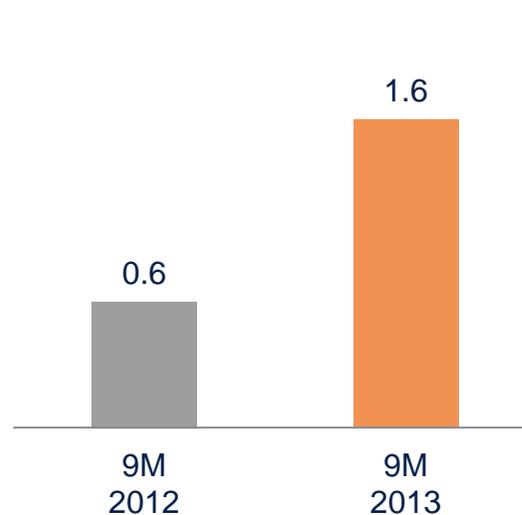
## OPERATIONAL EBITDA

€ MM



## INVESTMENTS\*\*

€ MM

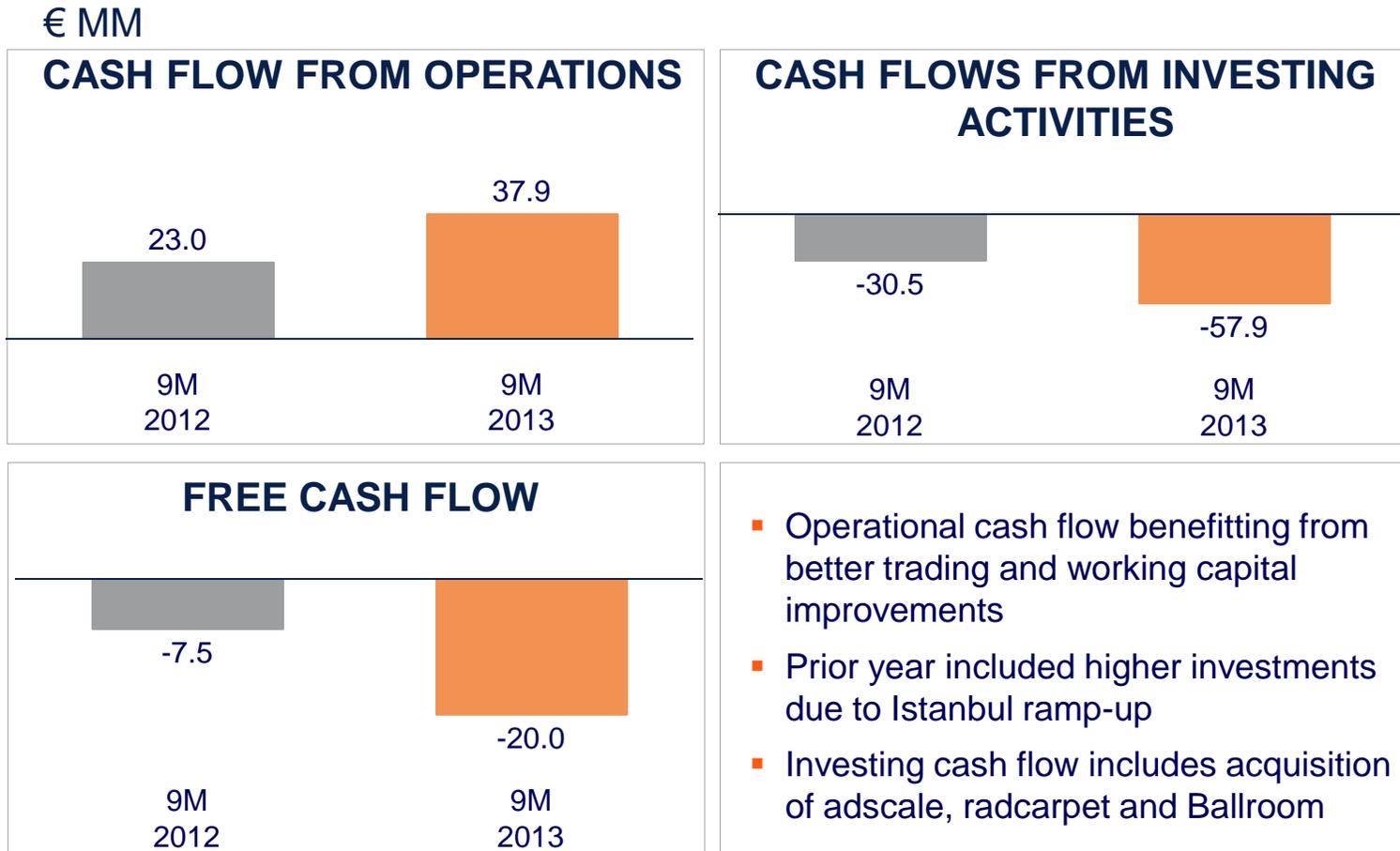


- BlowUP with strong topline performance boosting operational EBITDA
- Ströer Poland suffering from continuously soft market dynamics
- Rigorous cost saving measures resulting in improved operational EBITDA in Poland

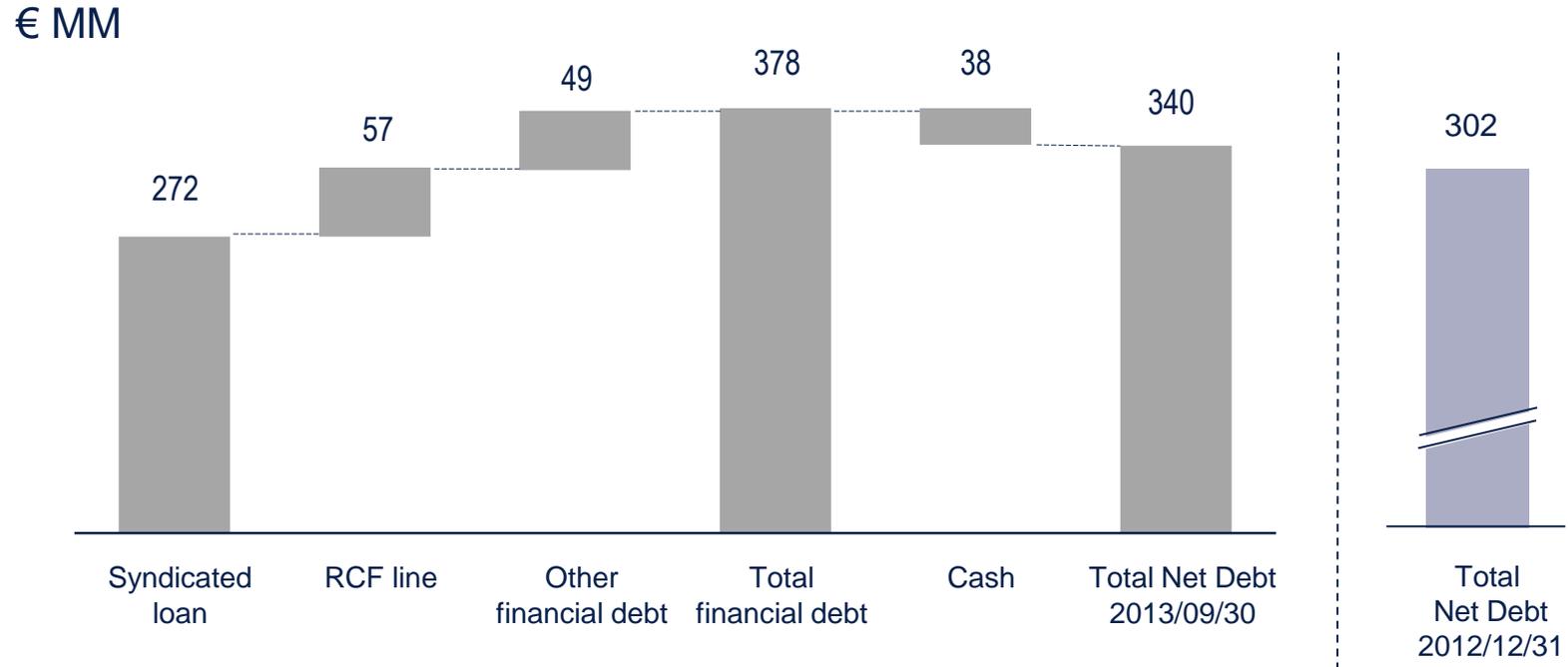
\* BlowUPMedia Group and Ströer Poland

\*\* Cash paid for investments in PPE and intangible assets

# Group free cash flow: Strong swing in cash generation from operations



# Increase of net debt in 9M 2013 mainly due to Online acquisitions

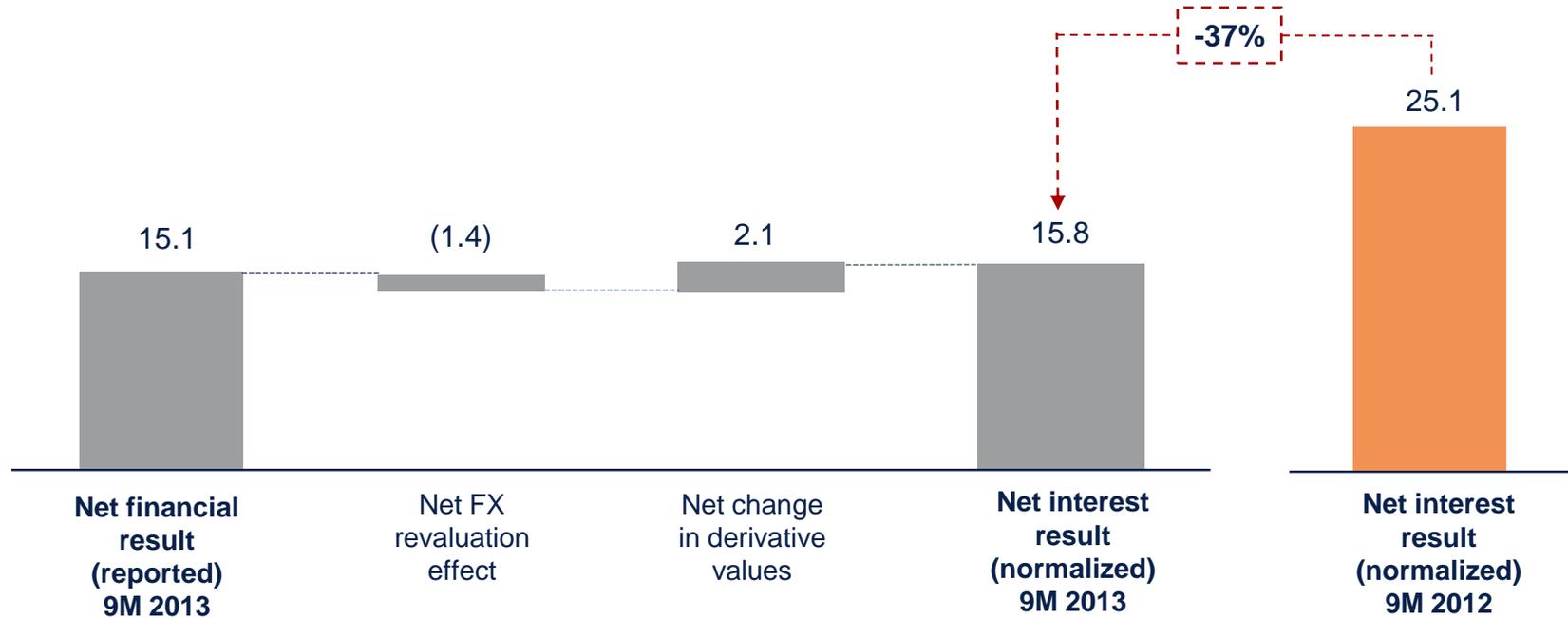


Increase of net debt due to Online acquisitions in 9M 2013

- This increase is due to cash settlements of purchase prices and future earn-out agreements

# Underlying net interest charge further improved in 2013

€ MM



- Lower debt service following optimized loan structure as part of refinancing in 07/2012
- Further savings from termination of interest hedges that became due in October 2012 and April 2013

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