

**STRÖER**

**GRÖSSE ALLEIN BEEINDRUCKT SIE JA NICHT.  
ACHTEN SIE EINFACH AUF DIE KLEINEN DETAILS.**  
IMPRESS YOURSELF. DER NEUE PEUGEOT 308 SW GT.

MIT 5 JAHREN QUALITÄTSPLUS\*



# Ströer Media SE

13th May 2015 | Q1 2015 Presentation

**PEUGEOT TOTAL**  
151 kW/205 PS nur 5,8l Verbrauch  
Sportfahrwerk mit 19-Zoll Felgen  
Alcantara-Sitze  
und viel Platz für...  
\*5 Jahre oder 100.000 km

# Agenda Q1 2015

**1** Key developments – Udo Müller, CEO

**2** Financials – Dr. Bernd Metzner, CFO

**3** Summary – Udo Müller, CEO

# Ströer Media SE Q1 2015 results

EURm		Q1 2015	Q1 2014	▲
Revenues	reported <sup>(1)</sup>	161.8	145.7	+11%
	organic <sup>(2)</sup>			+8%
Operational EBITDA		26.3	16.5	+59%
Op. EBITDA margin		15.9%	11.1%	+4.8%pts
EBIT (adj.) <sup>(3)</sup>		9.5	5.0	+90%
Net income (adj.) <sup>(4)</sup>		4.5	0.1	>+100%
Cash Flow from investing activities		24.8	8.6	>+100%
		<b>31 Mar 2015</b>	<b>31 Mar 2014</b>	
Net debt <sup>(5)</sup> / Leverage Ratio		304.0 / 1.9x	328.5 / 2.7x	

(1) According to IFRS 11

(2) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations

(3) EBIT adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets (Joint ventures are consolidated proportional)

(4) EBIT (adj.) net of the financial result adjusted for exceptional items and the normalized tax expense (32.5% tax rate)

(5) Net debt = financial liabilities less cash (excl. hedge liabilities)

# Ströer segmentation 2015 – Revised reporting logic

1

## **Out-of-Home Germany**

Transfer of public video business into the digital segment

2

## **Digital**

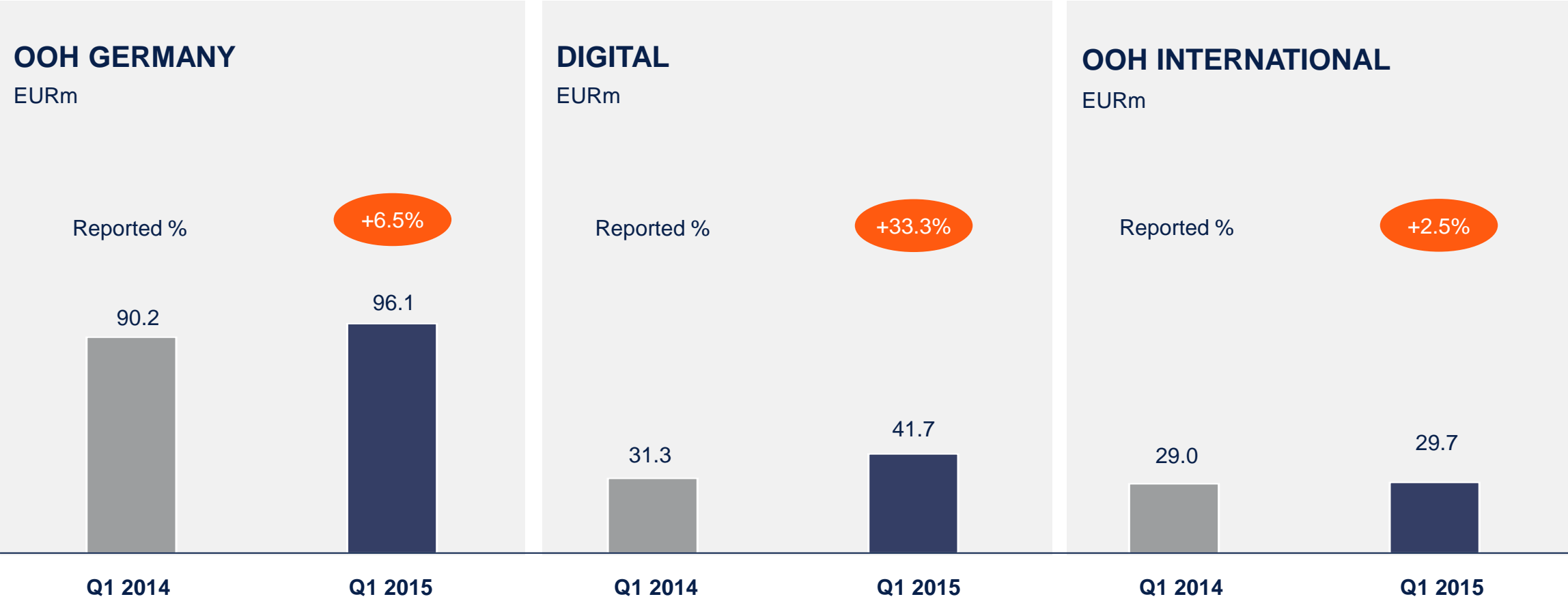
Extension of former digital segment by public video business

3

## **Out-of-Home International**

Combination of former segment „Ströer Turkey“, Ströer Poland and blowUp

# Q1 2015: Segment perspective – excellent OOH Germany

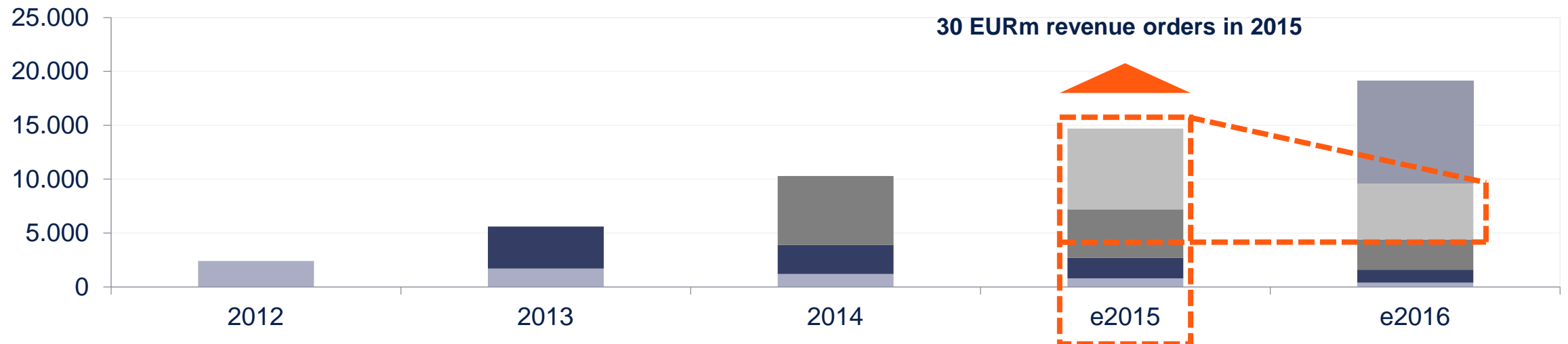


# Engine of regional growth in Germany

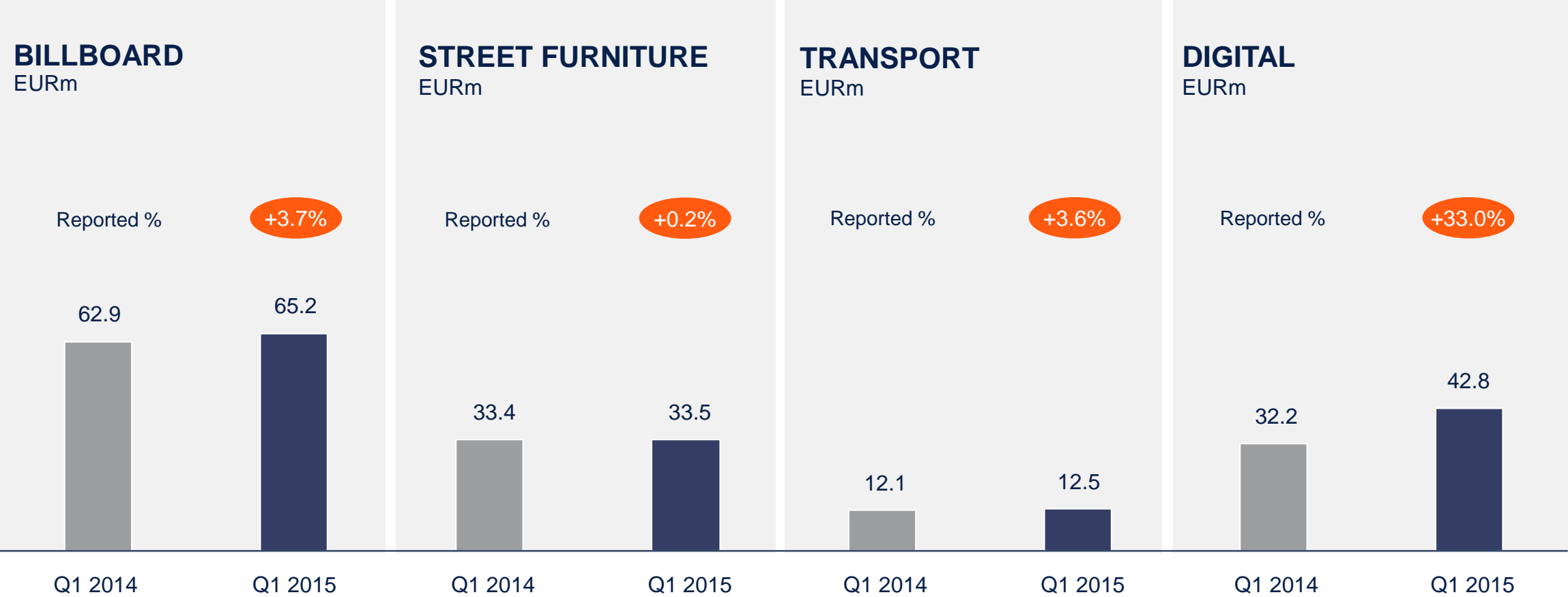
## Since 2012 built up of Regional Sales Structure

- Focus on regional customers which are neither served by agencies nor by a self service concept; EUR 4bn market
- Headcount (March 2015): 200, thereof
  - Backoffice personnel 50
  - Sales personnel 150
- Solid platform for future growth

## Revenue development: Currently 70% retention rate yoy through high signage share!



# Q1 2015: Product perspective – Outstanding Digital



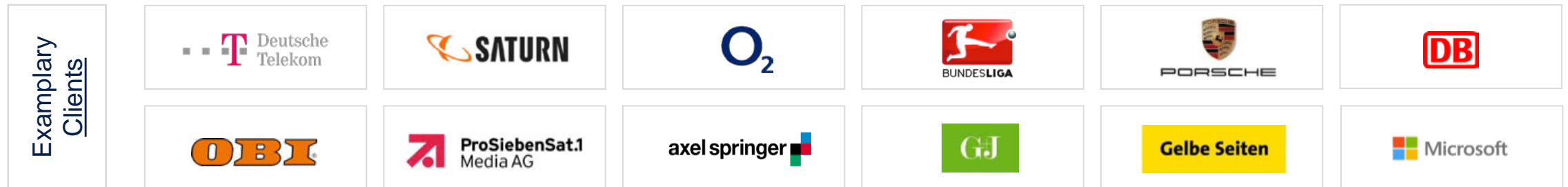
# Broadening our Digital Product Portfolio: Content Fleet combines Content & Technology

## Key Facts and Structure:

- Founded in 2010 > 100 employees in Hamburg/Berlin
- Content, social media and project experts
- Technology and data specialists: proprietary systems
- Broad Freelancer network for content creation

## Focus Area: Content Marketing

- Strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience
- Ultimate KPI: to drive profitable customer interaction



1

Adding **owned** and **earned** media to digital paid media portfolio for advertisers

2

Leveraging and scaling both **technology** and **data** for the Ströer digital group

3

Creating, building and operating **content assets** for publishers



# Strong publisher wins in Q1 2015

#	AGOF Ranking	UU (%)	UU (m)
1	<b>Ströer Digital</b>	<b>69,2</b>	<b>38,37</b>
2	InteractiveMedia CCSP	61,8	34,26
3	Axel Springer Media Impact	60,9	33,80
4	SevenOne Media	55,8	30,97
5	Tomorrow Focus Media	55,0	30,51
6	IP Deutschland	48,3	26,79
7	OMS	43,2	23,99
8	eBay	41,1	22,82
9	United Internet Media	41,0	22,75
10	G+J Electronic Media Sales	39,4	21,85

## New publishers in Q1



## Business description

Strong expansion of publishers attracting females between 20 and 35

Leading German newspapers attracting around 5m UU

Information portal around the running cinema programme

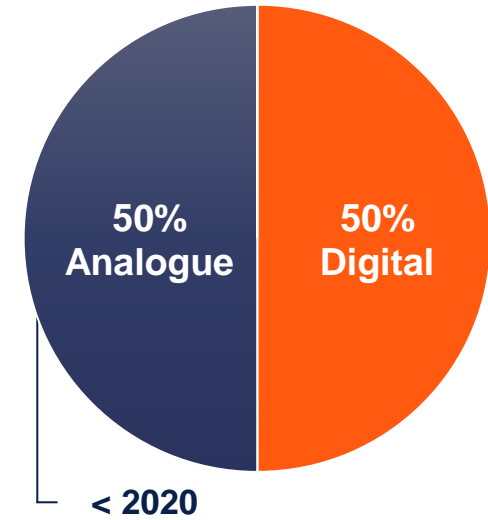
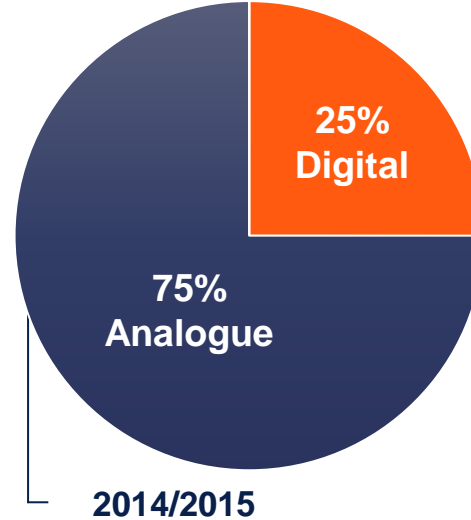
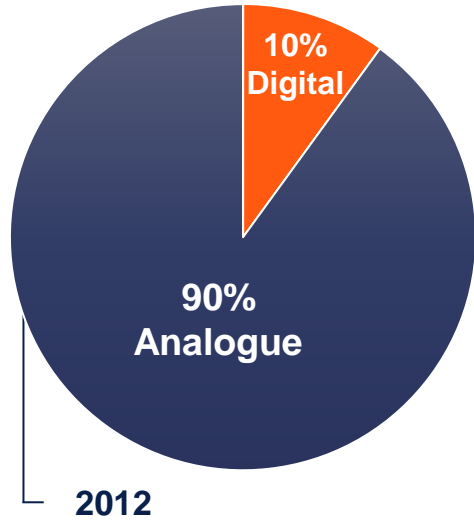
# Targets 2015

Actuals 2014		Targets 2015
11% organic growth	➤	Mid to high single digit organic growth rate
148 EURm operational EBITDA	➤	Operational EBITDA of at least 180 EURm
Net Income (adj) of 56 EURm	➤	Net Income (adj) >70 EURm
Leverage 1.9	➤	Leverage of ~ 2.0
ROCE at 14%	➤	ROCE > 15 %

# Ströer becoming a Digital Hybrid



# Transformation from an Analogue to a Digital Hybrid Player



## CAGR (2012 – 2020)

- Public video > 5%
- Display/Mobile > 15%
- Video ~20%

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# Financials



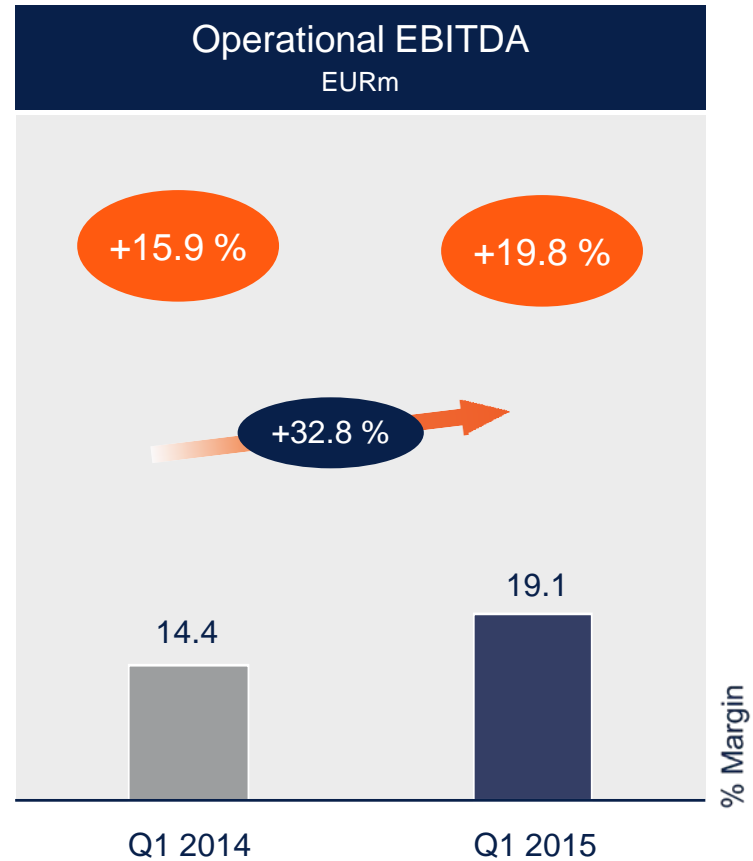
# Ströer Media SE Q1 2015 results

EURm	Q1 2015	Q1 2014	▲
<b>Revenues (reported)</b>	<b>161.8</b>	<b>145.7</b>	<b>+11%</b>
Adjustments (IFRS 11)	3.4	2.9	+17%
Cost of Sales	-100.1	-93.2	-7%
SG&A	-40.7	-40.3	-1%
Other operating result	1.9	1.3	+42%
<b>Operational EBITDA</b>	<b>26.3</b>	<b>16.5</b>	<b>+59%</b>
Margin %	15.9	11.1	+483bps
Depreciation	-9.7	-9.4	-3%
Amortisation	-14.2	-9.1	-57%
Exceptional items	-2.6	-1.7	-51%
<b>EBIT (adjusted) <sup>(1)</sup></b>	<b>9.5</b>	<b>5.0</b>	<b>+90%</b>
<b>Net income (adjusted) <sup>(2)</sup></b>	<b>4.5</b>	<b>0.1</b>	<b>&gt;100%</b>
<b>Net income</b>	<b>-2.4</b>	<b>-6.9</b>	<b>+65%</b>

(1) Earnings before interest and taxes adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets (Joint ventures are consolidated proportional)

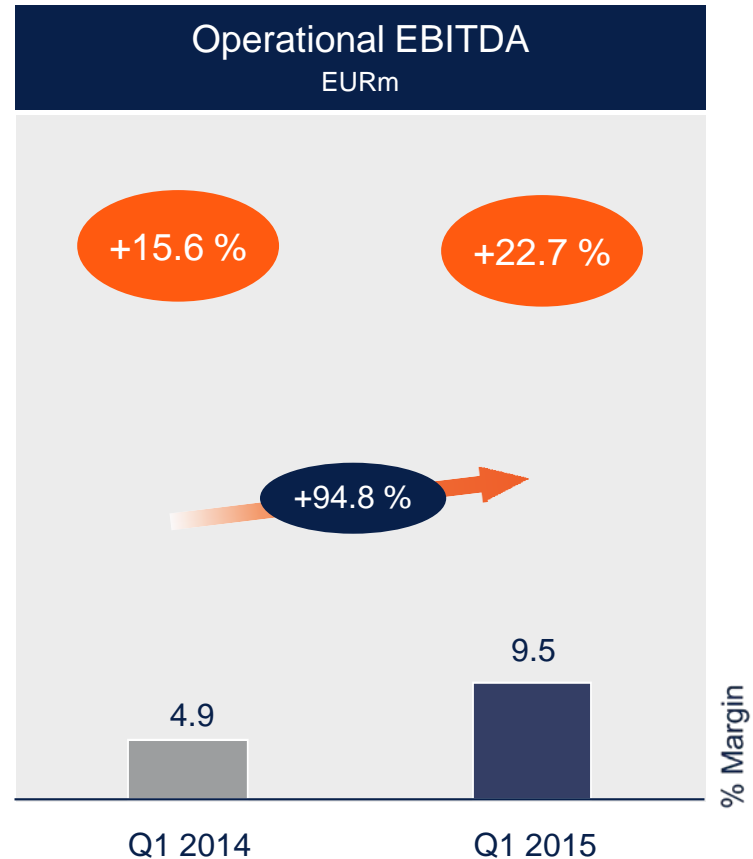
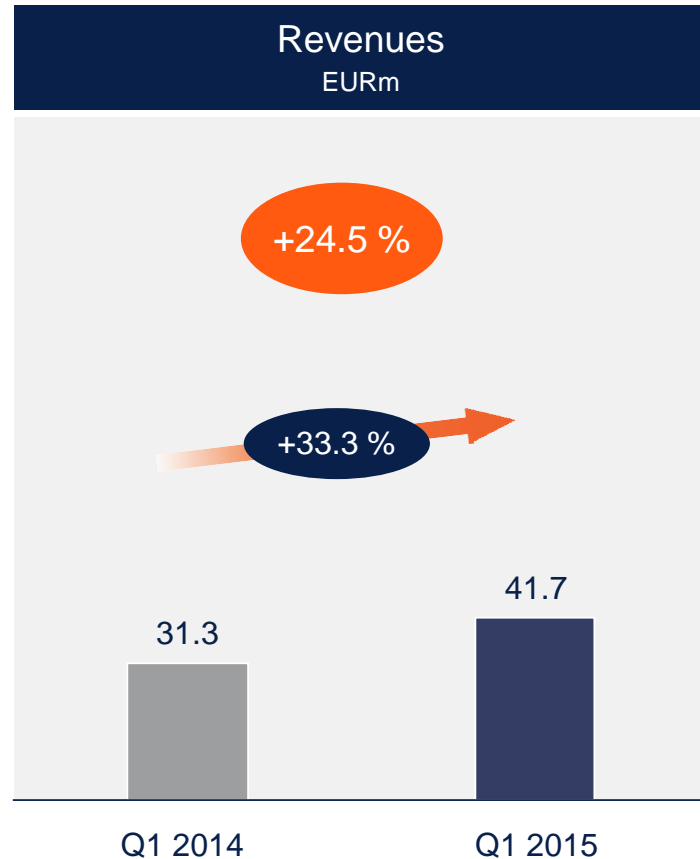
(2) Adjusted EBIT before non-controlling interest net of the financial result adjusted for exceptional items and the normalized tax expense (Joint ventures are consolidated proportional)

# Performance of Ströer OOH Germany



- Sales organization realignment and investment in regional sales force paying off
- Revenue growth from all product segments
- Additional EBITDA margin improvements backed by rigorous cost efficiency program initiated in 2014 (low single digit EURm effect in Q1)

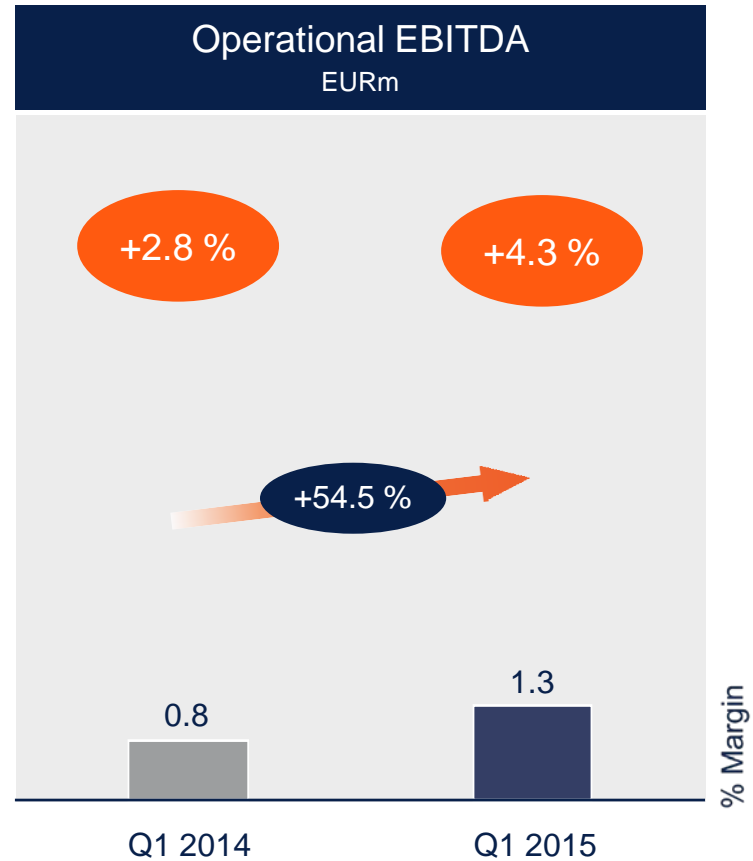
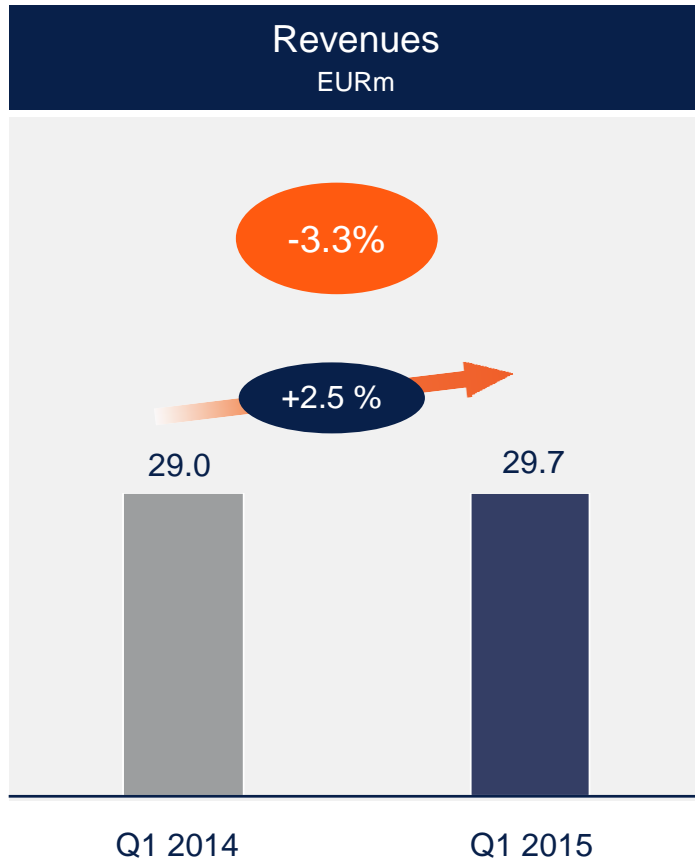
# Performance of Ströer Digital



- Revenues strongly increased both organically and by acquisitions
- Organic growth strongly driven by improved publisher base in Germany and strong demand for Public Video products
- Operational EBITDA almost doubled in line with strong sales performance



# Performance of Ströer OOH International



- Soft market developments in Poland and Turkey affect revenues
- Improved cost base leading to higher operational EBITDA y-o-y
- Back to growth path starting Q2

# Free cash flow perspective

Free cash flow (before M&A)	Q1 2015	Q1 2014
Op. EBITDA	+26.3	+16.5
- Interest (paid)	-2.8	-2.2
- Tax (paid)	-3.3	-1.8
-/+ Δ WC	-10.3	+1.7
- Others	- 7.0	-9.7
<b>Operating Cash Flow</b>	<b>2.9</b>	<b>4.5</b>
- Investments	-14.9	-7.1
<b>Free cash flow (before M&amp;A)</b>	<b>-12.0</b>	<b>-2.6</b>
	<b>31 Mar 2015</b>	<b>31 Mar 2014</b>
<b>Net debt / Leverage Ratio</b>	<b>304.0 / 1.9x</b>	<b>328.5 / 2.7x</b>

- Better underlying performance leading to increase of operational EBITDA
- Build up of working capital due to business expansion
- Higher investments triggered by renewal of Cologne contract
- Leverage ratio stands at 1.9 x EBITDA

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# Summary & Outlook



# Summary: Ströer's strategy pays off

- ✓ Revenue growth by 11% to 161.8 EURm
- ✓ Operational EBITDA expanded by nearly 60% to 26.3 EURm
- ✓ Net income (adj.) improved by more than 4.4 EURm to 4.5 EURm
- ✓ ROCE increased by around 30% to 14.3% vs. 10.8% PY
- ✓ Strong financial position, leverage ratio at 1.9x EBITDA

## Guidance

For the full year of 2015 we expect a mid to high single digit organic growth rate and an operational EBITDA of at least 180 EURm.