

**STRÖER**

# Roadshow Ströer SE – Oddo Seydler

Paris, 29 January 2016



# AGENDA



STRÖER digital

## 01

### Introduction

- Profile
- FY 2015
- Strategic elements

## 02

### Strategic elements

- OOH
- Content
- Local markets
- National markets
- Ventures

## 03

### Financials

- Guidance
- Consensus
- Segment digital
- Outlook

# Ströer at a glance

## Digital



- #1 in the AGOF ranking
- 6,000 websites
- 650 Million Video Views
- 3,500 Public Videos

## OoH Germany



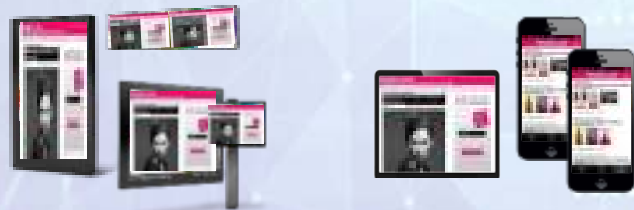
- #1 OoH in Germany
- 230,000 advertisement faces
- Europe's largest ad market

## OoH International



- #1 OoH in Turkey
- ca. 43,000 advertisement faces
- Europe's largest emerging market
- #1 OoH in Poland
- #1 European giant poster network (GER, UK, ES, Benelux)

## Digital (30% of revenue)



Display, Video, Mobile

## Out of home (70% of revenue)

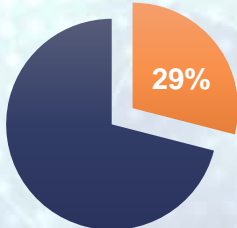
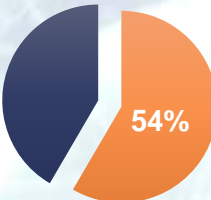
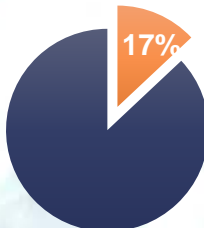


Billboard

Street furniture

Transport

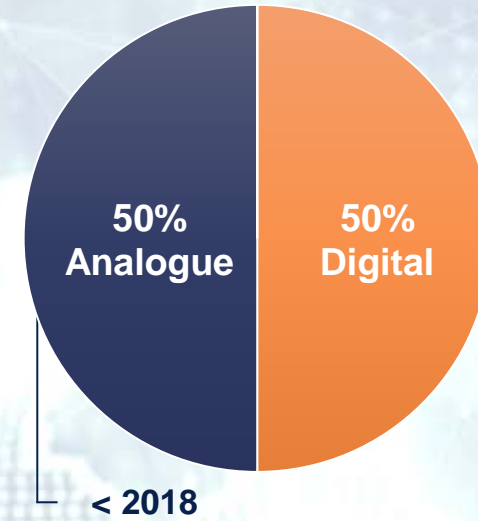
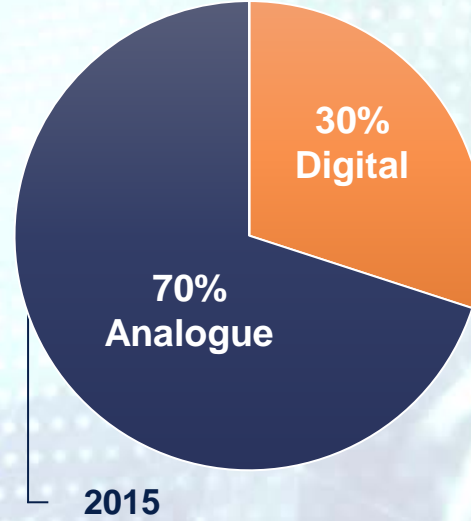
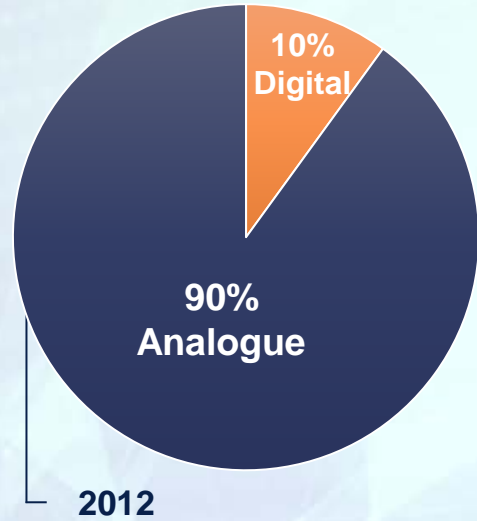
# Ströer Reporting – Summary 2015

|                            | Ströer SE  | Digital   | OoH Germany   | OoH International   | Recon.*    |
|----------------------------|------------|---|---|---|------------|
|                            |            |  |  |  |            |
| <b>Statutory Net Sales</b> | <b>817</b> | <b>237</b>  | <b>454</b>  | <b>149</b>  | <b>-23</b> |
| <b>Operational EBITDA</b>  | <b>196</b> | <b>66</b>   | <b>117</b>  | <b>25</b>   | <b>-12</b> |
| <b>Op. EBITDA Margin</b>   | <b>24%</b> | <b>29%</b>  | <b>26%</b>  | <b>17%</b>  |            |

in EURm, Consensus numbers

\* includes Holding, Consolidation and IFRS11 adjustments

# Transformation from an Analogue to a Digital Hybrid Player



## CAGR (2015 – 2018)

- Out-of-Home Germany > 5%
- Digital ~ 20%
- Out-of-Home International 3-5%

# Continuously growing Ströer Digital Content Group

2015/2016 ————— General Interest



2015 ————— Content Production



2014 ————— Special Interest Portals



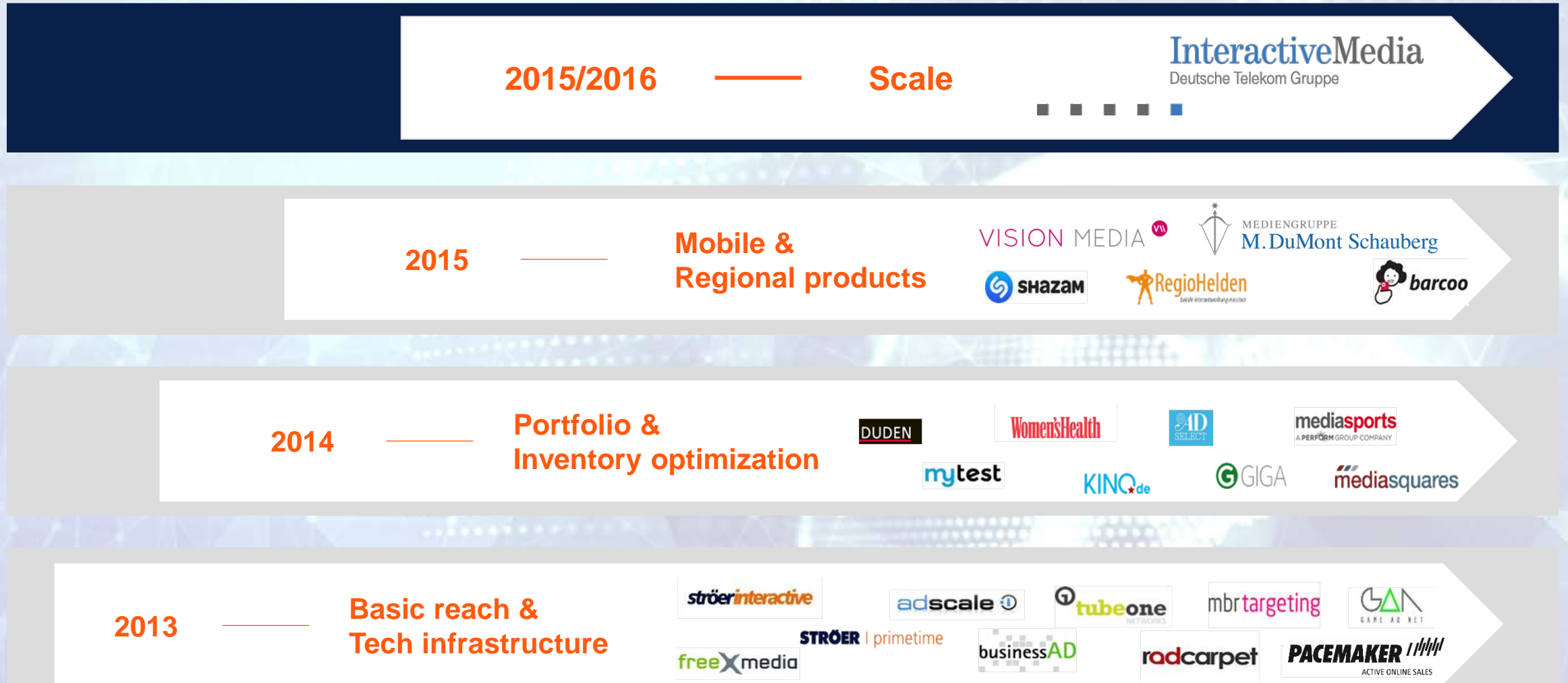
2013 ————— Web TV (MCN)



2010 ————— Public Video



# Ströer Digital Sales Group: Focused & dynamic Growth Strategy



# Strategic elements and topics...





# ...supporting our five key development sectors!

Building a Digital, Multi-Channel Media Company around Big Data, Digital Content and OoH Infrastructure

| 1   | 2  | 3   | 4  | 5  |
|---|--|---|--|--|
| <b>Out of Home</b>  | <b>Content</b>   | <b>Local Markets</b>  | <b>National Market</b>   | <b>Ventures</b>  |
| digitalisation of our infrastructure:<br>LED, LCD, beacons, small cells | disruptive, tech and performance based digital business models | only nation-wide sales organisation for local marketing & digital ad products | building the biggest, data-driven non-television media sales house | M&A around disruptive, data-driven and digital business models |

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## Out of Home

digitalisation of our infrastructure:  
LED, LCD, beacons,  
small cells



### LCD (Status: 3,500 screens)

- + 800 screens in stations, malls, airports
- Further extension of cross-track-projection products
- Lighthouse locations with large-format “Supermotion”

### LED (Status: 0 screens)

- Launch of digital Megalights; +1,000 screens next 3 years
- Launch of digital columns; top city centres (Start HH, COL)
- Focus also on local sales potential (SMBs)

### Beacons (Status: 1 station)

- 20,000 beacons installed by Q2/2016; total target: 50,000
- Nationwide infrastructure to leverage IoT applications
- Pilot projects with blue chip apps already kicked off

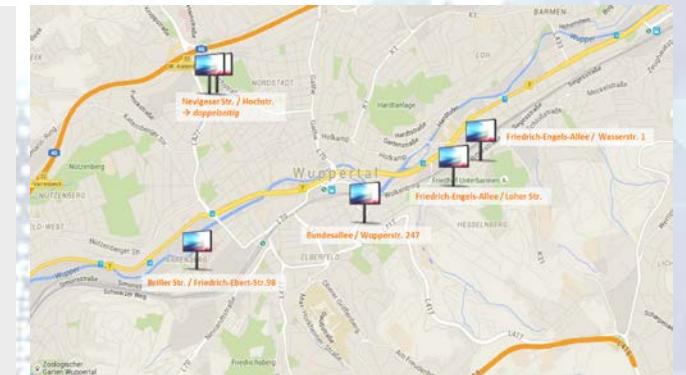
### Small Cells (project-based)

- Closing of first projects in the next 8–12 weeks planned
- Munich and Frankfurt: 80 columns turned into small cell infrastructure

# OoH - Example: First Roadside Screens installed and booked



- Focus on top locations
- Flexible booking options and no production costs ideal for SMBs
- Content Slots (weather, news, etc.) create completely new product and sales opportunities
- Bottom-up strategy: Developing city by city with business case around local clients; sum of cities and growing national coverage creates over time national ad product
- Rapid Prototyping: proven model Open Playground for Beacon Technology (Düsseldorf)



# OoH - Hamburg Main Station: 350sqm Digital Landmark Screen



## Tech and Data Backbone

- Fully automatized data & consumer driven tech stack to create, distribute and measure the performance of content

StoryBeat ↔ Creation Desk ↔ Portal Cockpit

## Lighthouse Portal T-online

- Leading German content portal, ~ 25m UU per month
- Massive synergies via disruptive performance publishing strategy (integrating Ströer tech & data stack)

## Verticals and Social Web TV

- Largest MCN TubeOne (basis **ALL** social platforms)
- In total 21 portals across 4 verticals (tech, entertainment, gaming, beauty & lifestyle) and overall ~ 13m UU

## Constantly new scalable assets

- On-going acquisitions to broaden portfolio and leverage existing tech and data infrastructure
- Recent new assets: FaceAdNet & LionCast

# Content - Digital Publishing Assets to leverage Tech Stack

Tech (~7,3m UU)



Women (~2,1m UU)



General Interest (~31,4m UU)



Gaming (~4,1m UU)



Entertainment (~2,9m UU)



T-Online



Wetter.info



Tanken



Herzrasen



Spieletipps



Giga



Kino.de

Apps

Total Media reach: Ströer Web Portals 34,1m UU //plus 655m Video Views



## Since 2012 built up of Local Sales Structure

- Focus on regional customers which are neither served by agencies nor by a self service concept
- Solid platform for future growth
- Customers usually spending money on print will go for OoH and Digital

## + yellow page product of digital age (Regiohelden, Omnea)

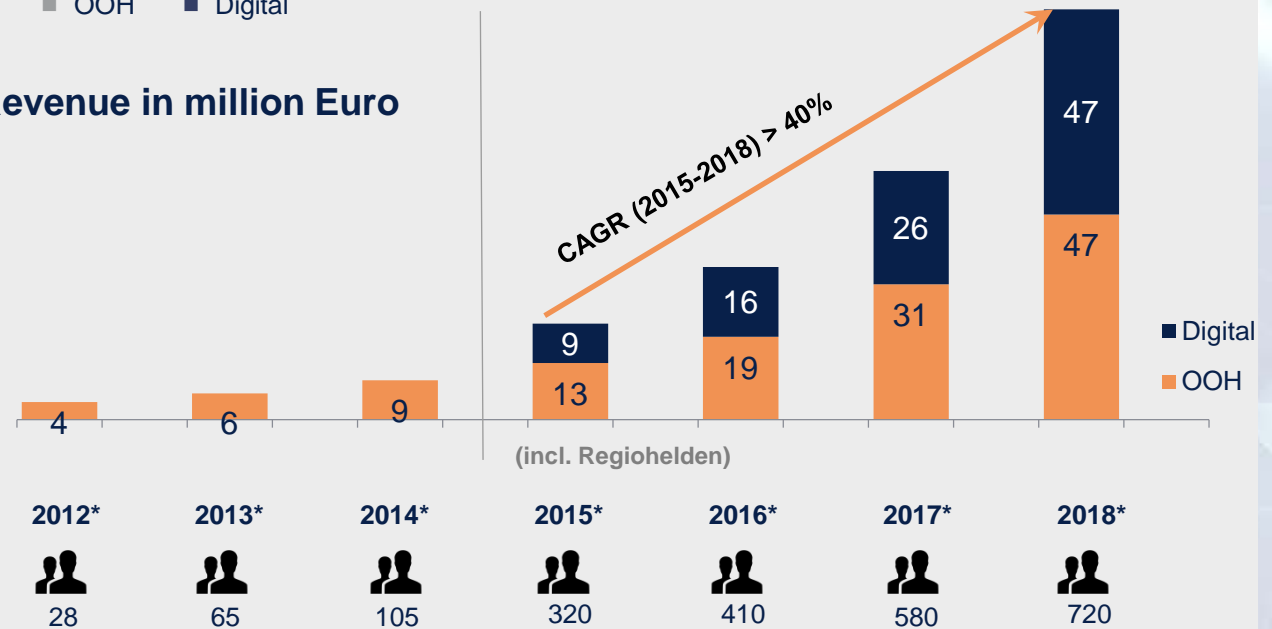
- Search engine marketing
- Search engine optimization (including directory entry management)
- Web design/website marketing
- Call measurement

## Development of Headcount and deferred (!) Revenue

### Share of revenue



### Revenue in million Euro



\*end of the year



# Local Markets - RegioHelden

Staggered Module and Subscription Ticket Sizes: Average ARPU of RegioHelden direct Customers: >€900/month



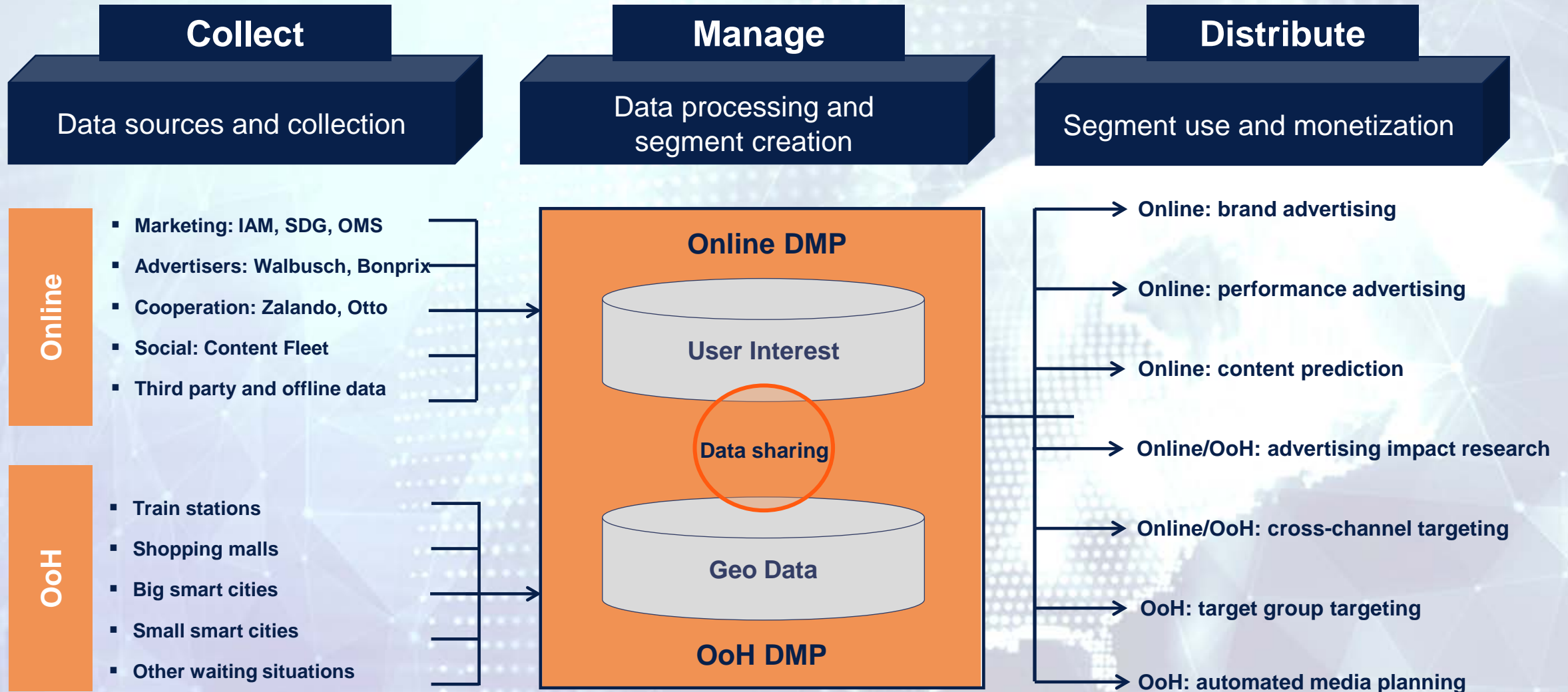
## Further Consolidation of Online

| #  | Sales House Online         | Reach (%)   | UU (in m)    |
|----|----------------------------|-------------|--------------|
| 1  | <b>InteractiveMedia</b>    | <b>72.1</b> | <b>38.09</b> |
| 2  | United Internet MediaA     | 68.4        | 36.15        |
| 3  | <b>Ströer Digital</b>      | <b>67.1</b> | <b>35.47</b> |
| 4  | Axel Springer Media Impact | 66.6        | 35.22        |
| 5  | ForwardAdGroup             | 63.6        | 33.60        |
| 6  | SevenOne Media             | 63.5        | 33.54        |
| 7  | <b>OMS</b>                 | <b>53.7</b> | <b>28.36</b> |
| 8  | IP Deutschland             | 53.3        | 28.20        |
| 9  | G+J e MS                   | 51.1        | 26.99        |
| 10 | eBay Advertising Group     | 47.7        | 25.21        |

## One-stop Shop OoH/Digital

| #  | Sales House TOTAL | Billings 2014 m€ |
|----|-------------------|------------------|
| 1  | Pro7Sat1          | 6,231            |
| 2  | RTL Gruppe        | 4,594            |
| 3  | <b>STRÖER*</b>    | <b>2,052</b>     |
| 4  | Axel Springer     | 1,991            |
| 5  | RMS (Radio)       | 1,085            |
| 6  | RTL 2             | 831              |
| 7  | ARD-Werbung       | 817              |
| 8  | Burda Verlag      | 715              |
| 9  | Gruner und Jahr   | 532              |
| 10 | Bauer Verlag      | 437              |

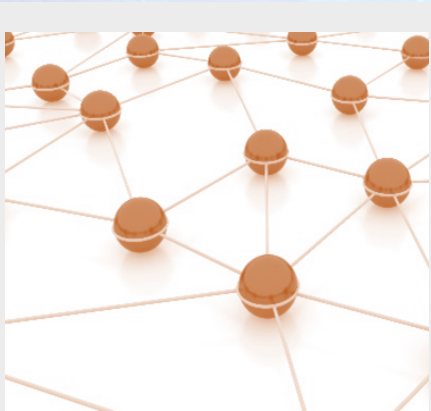
# Ströer Data Strategy: Linking Online and OoH Geo Data



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## Ventures

M&A around disruptive, data-driven and digital business models



### Track Record last five Years (including Infrastructure)

- Pioneering the digitalisation of OoH in Germany since 2010; first nation-wide public video network globally; integrated in online-ad-serving-system
- From zero to number 1 local online sales house in Germany within 2 ½ years via aggressive M&A strategy
- From zero to number 3 digital publishing house within 20 months
- Broad range of digital experts combined with
  - unique set of data (OoH/Digital)
  - unique tech stack (Sales/Content)

### Current and Future Projects (2016ff)

#### eVALUE

- Joint investment fund with **Deutsche Telekom** and Falk Technologies
- Focus on tech-based assets

#### Conexus

- Leading provider of data analytics platforms for education
- Hidden champion with 30% CAGR since 2010

# Statista - Opening up Opportunities in Big Data Sector

## Leading statistics portal worldwide

- Category leader among market research companies
- Traffic of 3.9 million sessions/month
- 600k registered users
- Continuously expanding content, >250k statistics online, 350 new statistics per day
- Access to more than 18,000 resources

## Healthy company- and deal-parameters

- Scalable subscription business
- Sales of EUR 20 million expected for 2016 with EUR 4 million EBITDA
- 78,8% of Statista Shares for EUR 57 million
- 40% of sales international in 2016
- Strong partnerships with Burda, Forbes and Bloomberg

## Plenty of headroom for growth

- Internationalization already started in Spain and France
- Roll-out into Asia, especially China, India and Japan for 2016 planned
- 70% of users are international with U.S. users already being the largest part



## Good fit to Ströer!

- Expansion of Ströer digital publishing to statistical content and infographics
- Research & Analysis service rounds up Ströer publishing (Content creation/marketing/selling) portfolio in particular
- Existing media co-operations and client portfolio give way to extended publishing possibilities in website network

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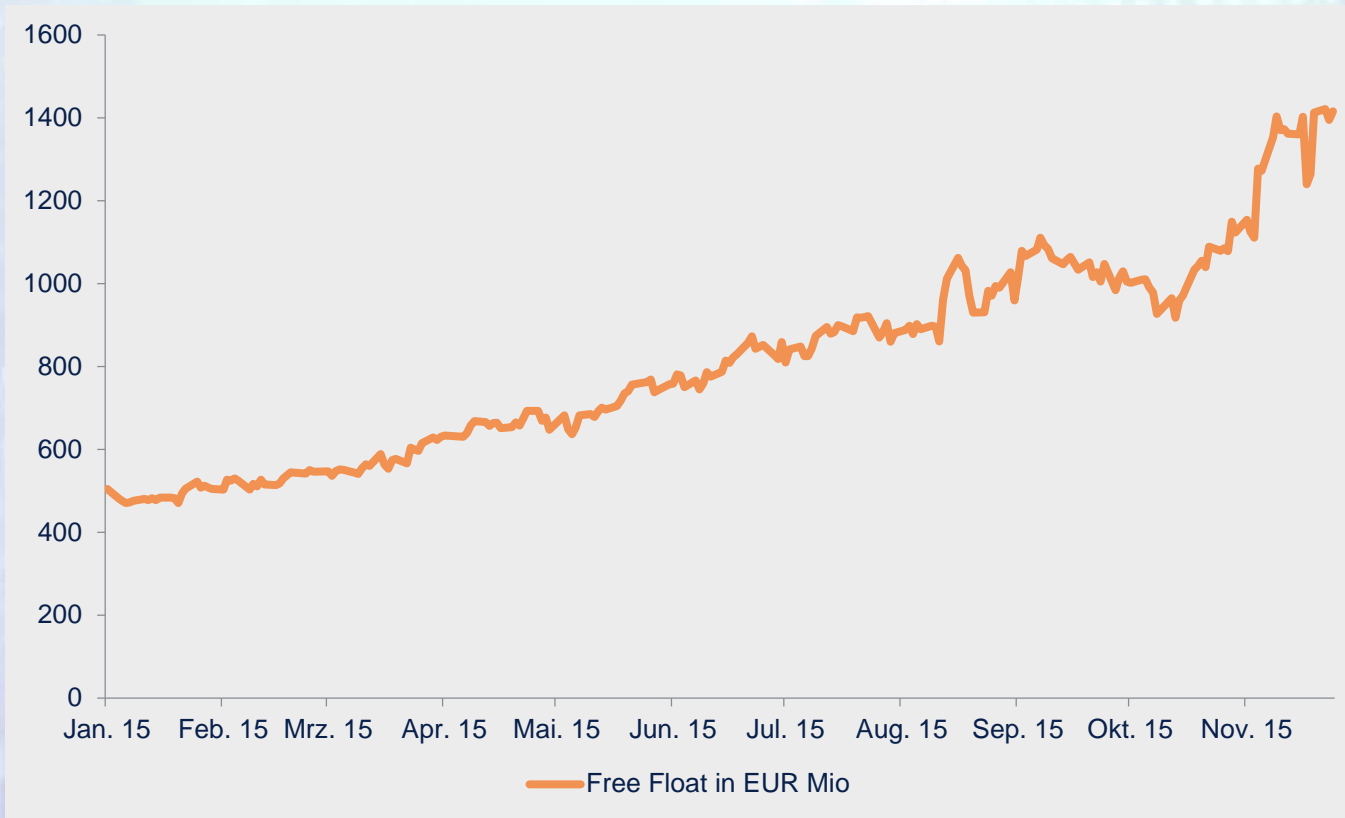
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# Update: Admission to MDAX

## Growth stock Ströer SE



- Higher Free Float due to private placement of founding families
- Free Float as of Nov 20: **45.18%**
- Promotion from SDAX to MDAX via Fast Entry 40/40
- Daily trading volume 300,000 shares

# Financial Guidance

## Guidance 2015: RAISE

For 2015 we expect a high single digit organic growth rate and an operational EBITDA above 200 Million Euro

## Guidance 2016: RAISE

For 2016 we expect total revenue between 1.1 and 1.2 billion Euro, and an operational EBITDA of 270 to 280 Million Euro (with 50% coming from Digital)



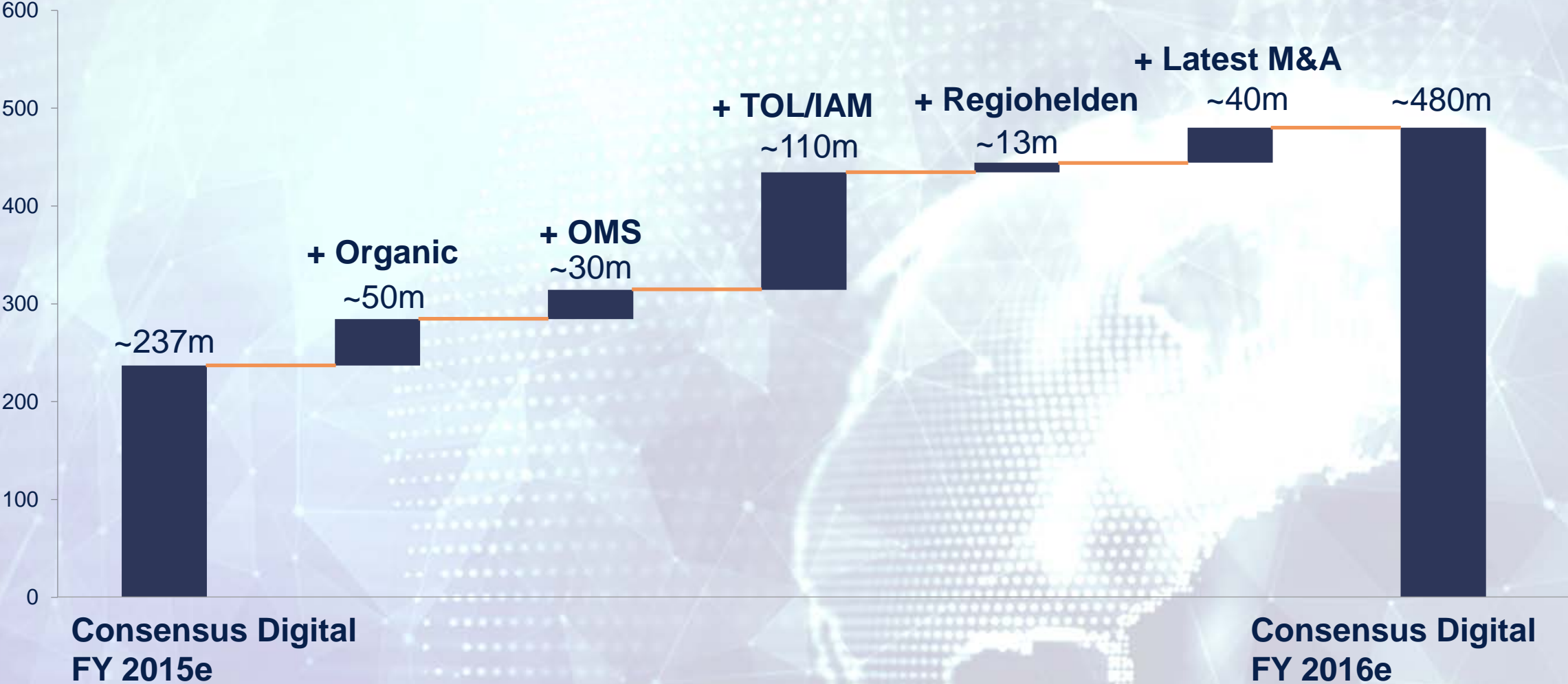


# Ströer Business Segments

## Consensus 2016

| EURm                | Group   | Digital | OOH Germany | OOH International | SMH  |
|---------------------|---------|---------|-------------|-------------------|------|
| Statutory Net Sales | ~ 1,110 | 480     | 480         | 150               |      |
| Operational EBITDA  | ~ 270   | 134     | 126         | 26                | - 16 |
| Op. EBITDA Margin   | ~ 25%   | 28%     | 26%         | 17%               |      |

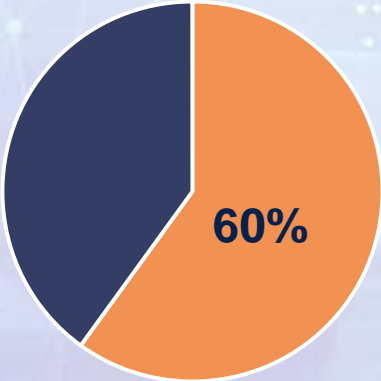
# Digital Segment: Path from 2015 to 2016 ...



# Perspective on Digital Segment 2016

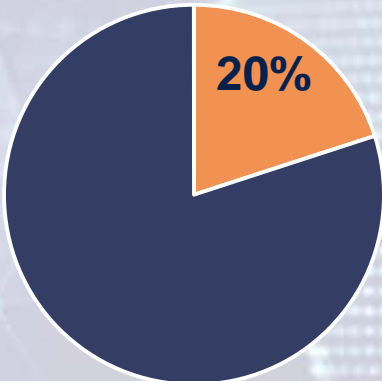
## Display & Mobile

- Leading Display & Mobile offering with more than 400 Websites in a broad portfolio of thematic verticals
- Display marketing through direct sales and real-time-bidding on national and regional level
- Hyperlocal targeting techniques for mobile



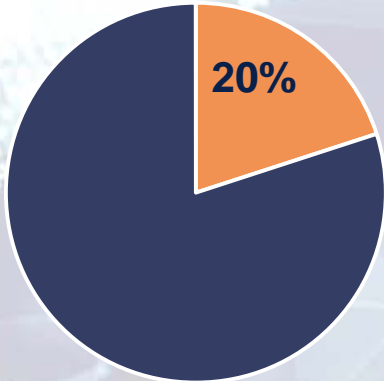
## Video

- OOH Public Video Network with around 3.500 screens in Train Stations, Shopping Malls and Underground
- Leading Web TV – TubeOne attracting social media views
- Online Video formats within existing display offering



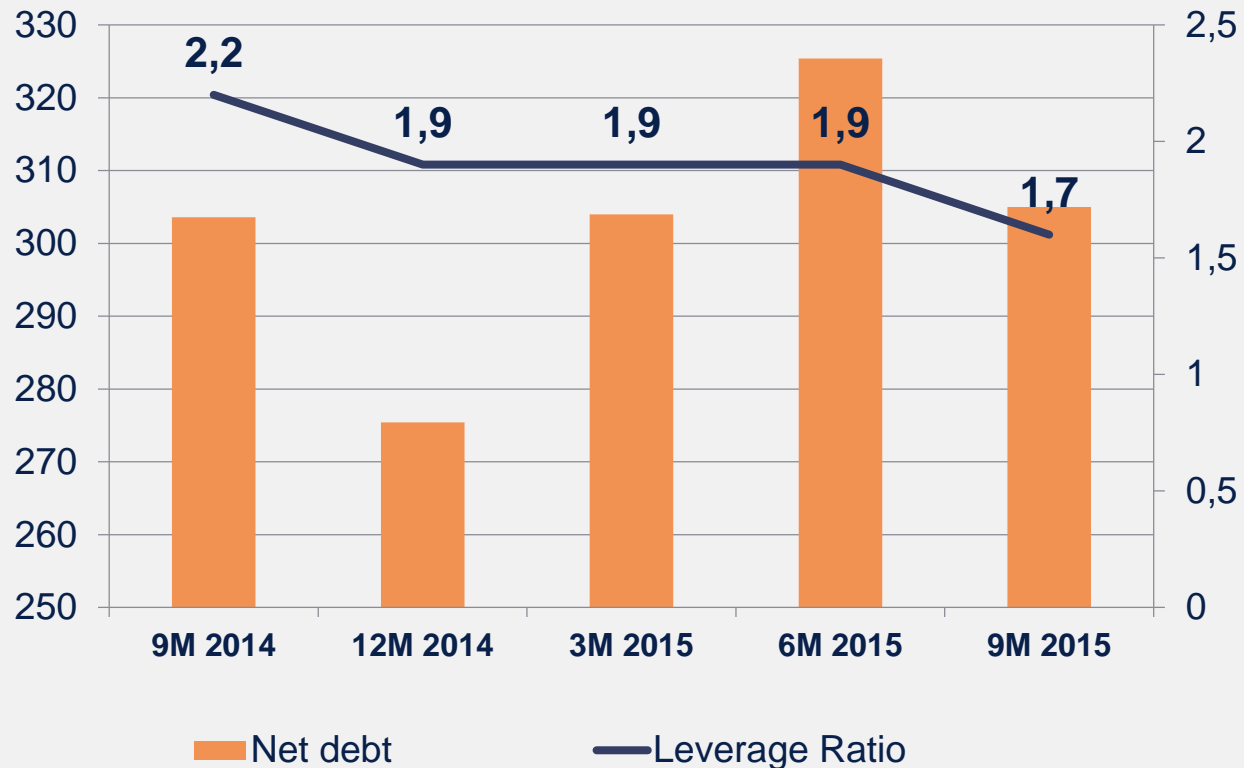
## Transactional

- Performance publishing solutions
- E-Commerce revenue coming from sites like Lioncast
- Integrated shopping offerings at T-online.de
- Leveraging integrated search models via the T-Online platform



# Financial Outlook - Leverage

## Improving leverage ratio



## Short term financial outlook

- Free Cashflow before M&A FY 2015 should be higher than 80 EURm
- Leverage below 1.5 x by year-end

## Long term financial outlook

- Maintaining a solid financial profile is a key element of our growth strategy
- Dividend pay-out ratio: 25 – 50%

# Financial cornerstones 2016

**Sales between 1.1 and 1.2 EURbn**

**Group organic growth around 10%**

**Operational EBITDA between 270 – 280 EURm**

**Up to 150 EURm net income adjusted**

**Up to 120 EURm Free Cash Flow before M&A**

# Priorities for 2016

**Expansion of Digital Public Advertising**

**Integration & further built up of existing content portfolio**

**Accelerating regional/local business (+ 100 sales people p/a)**

**Strengthening of our position as No 1 Non-TV sales house**

**Watch out for opportunistic M&A-deals**

# Disclaimer

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