

PRESS RELEASE

After an excellent first quarter in 2020, Ströer is optimally prepared for the coronavirus crisis – effects on revenue and earnings expected for fiscal year 2020

- **Low leverage ratio of 1.44 at the end of 2019, with high liquidity reserves**
- **Highly variable cost basis in the OOH business**
- **Stable cash flows from online business segments, some of which stand to benefit from the crisis**

Cologne, 19 March 2020 Following 29 consecutive record quarters and an excellent first quarter in 2020, Ströer is optimally prepared in every respect for the far-reaching consequences anticipated from the coronavirus crisis.

Overview of the most important points:

Ströer's business update as of 19 March 2020

The first quarter of 2020 has seen seamless continuation of the outstanding year 2019, becoming Ströer's 30th consecutive record quarter. Organic growth in the core OOH business in the high single-digit percentage range and thus considerably above our original guidance of growth in the mid single-digit percentage range for the whole of 2020 is a particularly positive development. Strong growth in the first quarter of 2020 was largely buoyed by very strong digital OOH growth, one of the key drivers of the structural growth in out-of-home media expected by all market participants of around 5% in the next 10 years (excluding the effects from the coronavirus in 2020).

Ströer's prospects for the remaining quarters of fiscal year 2020

Following a very strong first quarter, we have observed a strong impact from the coronavirus crisis on our OOH campaign business, especially with our national customers, since last Monday (16 March 2020) due to the profound restrictions on public life imposed

by the German government as well as in the rest of Europe and even worldwide. The restrictions on public life are considerably reducing the reach of our OOH products and less reach inevitably leads to lower revenue in the OOH segment. The resulting effect on the Company's revenue and earnings development cannot be fully quantified at present. A conclusive reliable forecast of business development for 2020 is therefore not possible at this time.

This development, albeit temporary and limited in time, will however invariably result in Ströer not achieving the forecast made before the coronavirus crisis of organic revenue and adjusted EBITDA growth in the mid single-digit percentage range for 2020.

We do not currently expect the coronavirus crisis to have a negative impact on our medium-term business forecast from 2021.

We plan to issue a more detailed update on our current business development for 2020 on 30 March together with our final full-year figures for 2019.

Ströer's OOH Plus strategy demonstrates unique strength even in times of the coronavirus

Our unique OOH Plus strategy also protects our cash flows in this situation by partially compensating for the temporary weakness in our OOH reach through a significant increase in our in-home and online reach. Ströer's flagship portal t-online.de, one of the leading German websites, has increased its reach in the crisis for example by around 30%.

At the same time, we currently expect our subsidiary ASAM to see a very robust development comparable to the prior year and even further growth at Statista despite the coronavirus crisis.

Ströer's special OOH business model also safeguards cash flow in the crisis

In addition to the positive impact of the crisis on our online reach, we would like to highlight some important and Ströer-specific aspects which will safeguard our OOH cash flow in the months to come.

On the revenue side:

A) The most important aspect in this regard is our strong local OOH business, in which permanent, year-round booked advertising accounts for 40% of total local advertising revenue. By comparison, permanent advertising only accounts for 6% of total national revenue. This equates to a share of around 22% of permanent and already confirmed OOH revenue that will not be affected by the coronavirus crisis.

B) The campaign business already booked for the second quarter of 2020 is also supported in the German market by a strict prohibition on cancellation, which safeguards revenue already booked for an average of 60 days in advance. This means we have already secured some 50% of the originally expected revenue for the second quarter in our books. For the third quarter, we expect a significantly improved business landscape compared to the current situation.

On the cost side:

C) Ströer's expenses for cleaning, maintenance, change of posters as well as assembly and dismantling of advertising units have been fully outsourced to subcontractors for more than 10 years – and therefore highly flexible.

D) Over 90% of Ströer's rent for OOH advertising units is largely determined using a revenue-based method and therefore also ranges up or down in line with the earnings development. In the case of leases under which Ströer pays a fixed or minimum rent, we expect our rent to decrease in line with the temporary substantial reductions in reach. We have already agreed on initial arrangements with some lessors.

Ströer's immediate measures in response to the coronavirus crisis

Thanks to the phase of preparation lasting several weeks following the occurrences on the Chinese market, the Ströer management team took the following measures in the first 72 hours after the outbreak of the coronavirus crisis:

A) Close monitoring of all health-related questions and implementation of both proactive and reactive measures to protect our employees (starting as early as mid-February)

- B) Implementation of stringent home office guidelines, with more than 90% of our workforce fully operational and working from home (except for the call center)
- C) Communication with all banks belonging to the Ströer loan syndicate to discuss stress scenarios
- D) Stringent cash management
- E) Review of all relevant legal matters, including Ströer's position with regard to lease obligations, debt contracts and communication responsibilities
- F) Preparation of further measures, including discussions with governmental agencies regarding short-time work
- G) The annual general meeting, including the resolution on appropriation of profit, will be postponed to the second half of 2020 and it will be examined if a proposal for the appropriation of profit deviating from the dividend policy should be put forward.
- H) Task forces in all business segments to monitor changes on a daily basis and discuss immediate measures

Ströer's sound financial situation

With its long-term secured credit facility, Ströer currently has available credit facilities to the tune of over EUR 400m and is thus very well equipped to weather all currently foreseeable crisis scenarios. Furthermore, the leverage ratio at the end of 2019 stood at just 1.44, well below the actual target ratio of around 2.5.

About Ströer

Ströer is a leading German out-of-home advertiser and offers advertising customers individualized and fully integrated, end-to-end solutions along the entire marketing and sales value chain. Ströer is focusing on the strength of the OOH business with its "OOH Plus" strategy, supported by the Digital OOH & Content and Direct Media segments. With this combination, the Company is well positioned to consistently grow its customer relevance and thanks to strong market share and long-term agreements on the German market, gain an above-average share in market growth in the coming years.

The Ströer Group commercializes and operates several thousand websites in German-speaking countries in particular and operates approximately 300,000 advertising media in the out-of-home business. The portfolio includes all forms of out-of-home media – from traditional posters, exclusive advertising rights at train stations through to digital out-of-home media. The Digital OOH & Content and Direct Media segments support the core business. With dialog marketing, Ströer can offer customers holistic performance-based solutions ranging from location or content-specific reach and interaction across the entire spectrum of dialog marketing through to transactions. Furthermore, in digital publishing, the Company publishes premium content across all digital channels, offering one of Germany's widest reaching networks with its t-online.de and special interest sites.



The Company has approximately 12,000 employees at over 100 locations. In fiscal year 2019, Ströer generated revenue of EUR 1.6b (unaudited). Ströer SE & Co. KGaA is listed in Deutsche Börse's SDAX.

For more information on the Company, please visit www.stroeer.com.

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