



**STRÖER**

# **Structural Growth | Disruptive Products | Value Creation**

**Goldman Sachs – 12th German Corporate Conference 2023**

**September 18, 2023 | Ströer SE & Co. KGaA**

# Agenda



**Group Update**



**Financials**



**Outlook**

# Results 6M 2023

m€		6M 2022	6M 2023	▲
Revenues	Reported growth	810.0	864.7	+7%
	Organic growth <sup>(1)</sup>	18.4%	7.3%	-11.1%pts
EBITDA (adjusted)		220.3	227.2	+3%
EBIT (adjusted)		87.6	84.3	-4%
Net income (adjusted) <sup>(2)</sup>		58.0	40.0	-31%
Operating Cash Flow		149.9	140.1	-7%
Capex <sup>(3)</sup>		66.3	62.8	-5%

<sup>(1)</sup> Excluding exchange rate effects and effects from (de)consolidation and discontinuation of operations

<sup>(2)</sup> 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

<sup>(3)</sup> Investments (before M&A)

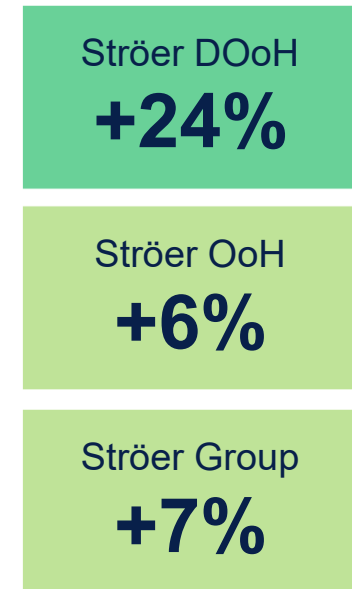
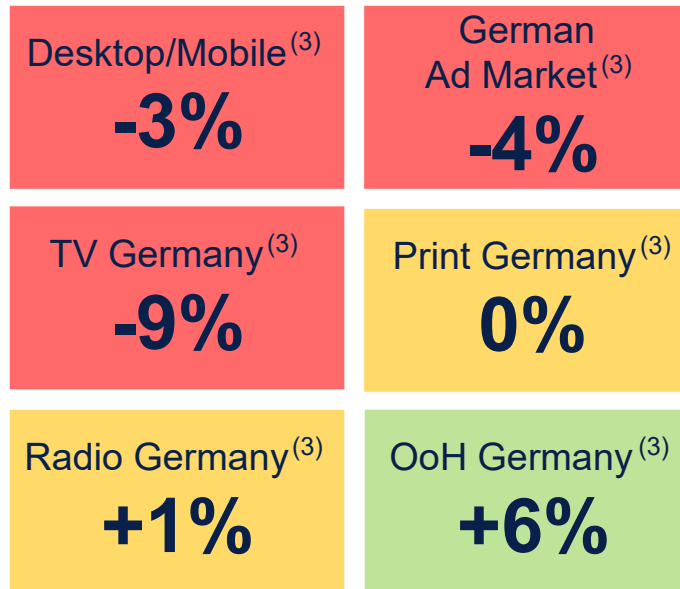
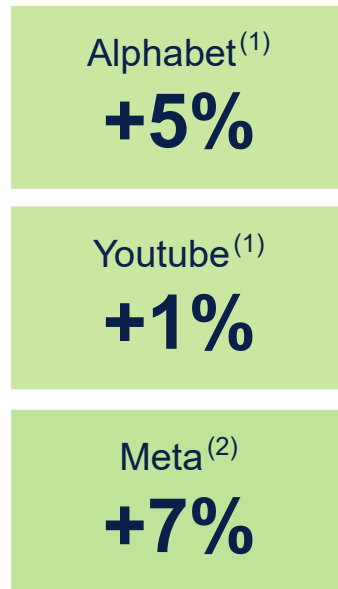
# H1 2023 Market Dynamics: OoH again outperforming the Ad Market

Further, substantial Market Share Gains in declining Market

## Global Points of Reference

## Local German Peers

## Ströer Group & Core Business



<sup>(1)</sup>Alphabet IR; <sup>(2)</sup>Meta; <sup>(3)</sup>Nielsen Numbers (gross) for Q1-Q2 2023 (without Direct Mail)

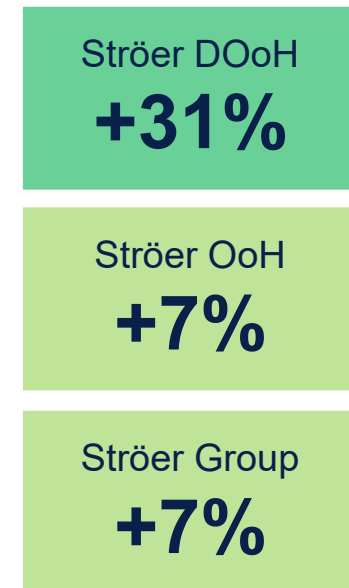
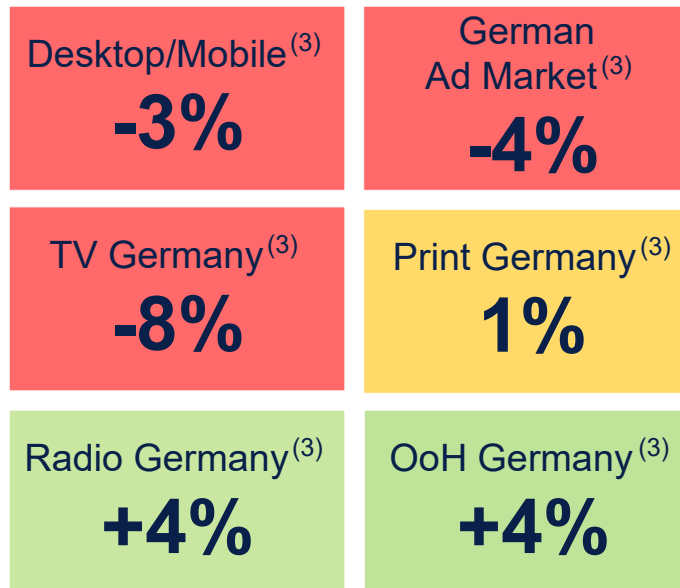
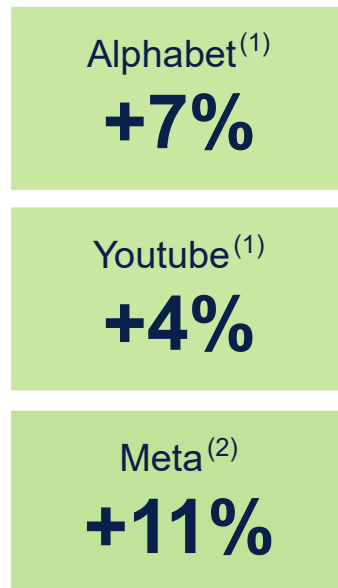
# Q2 2023 Market Dynamics: OoH again outperforming the Ad Market

## Further, substantial Market Share Gains in declining Market

### Global Points of Reference

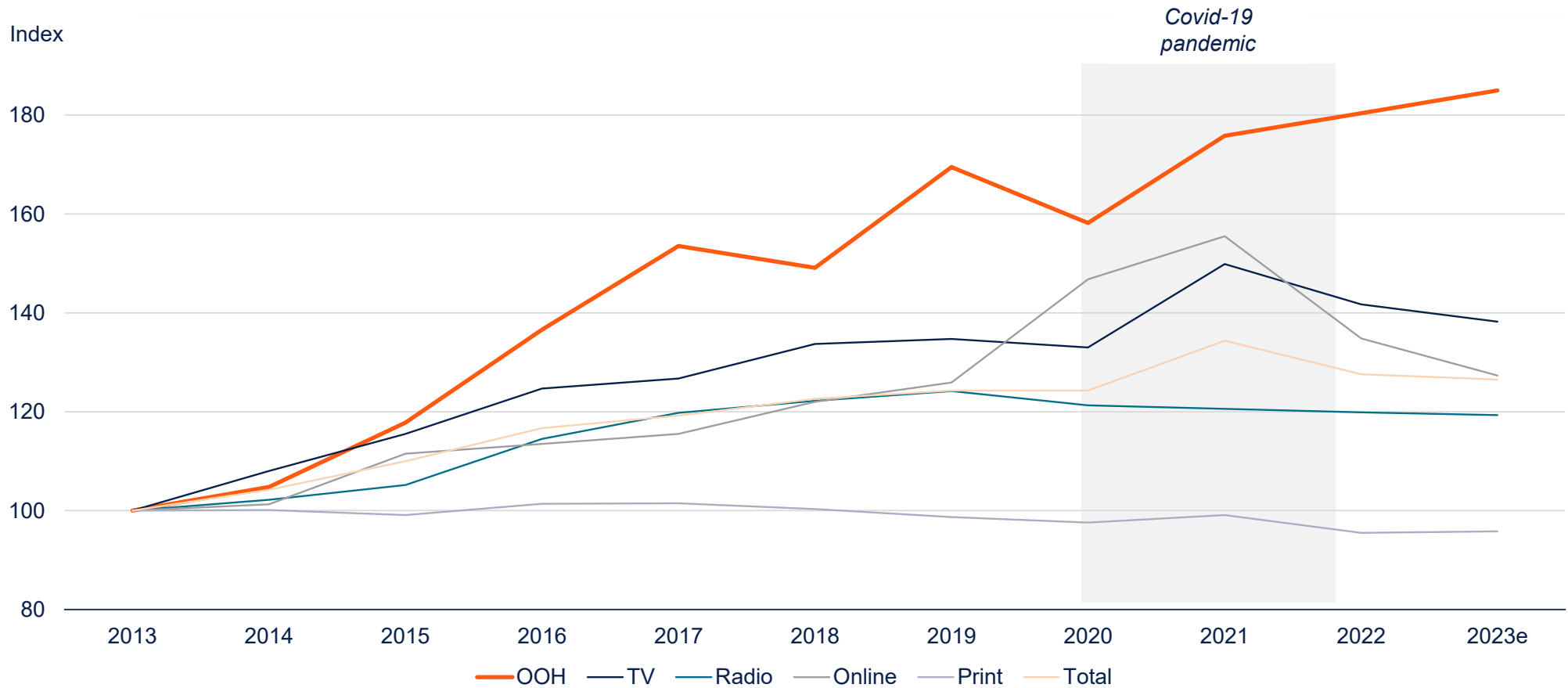
### Local German Peers

### Ströer Group & Core Business



<sup>(1)</sup>Alphabet IR; <sup>(2)</sup>Meta; <sup>(3)</sup>Nielsen Numbers (gross) for Q2 2023 (without Direct Mail)

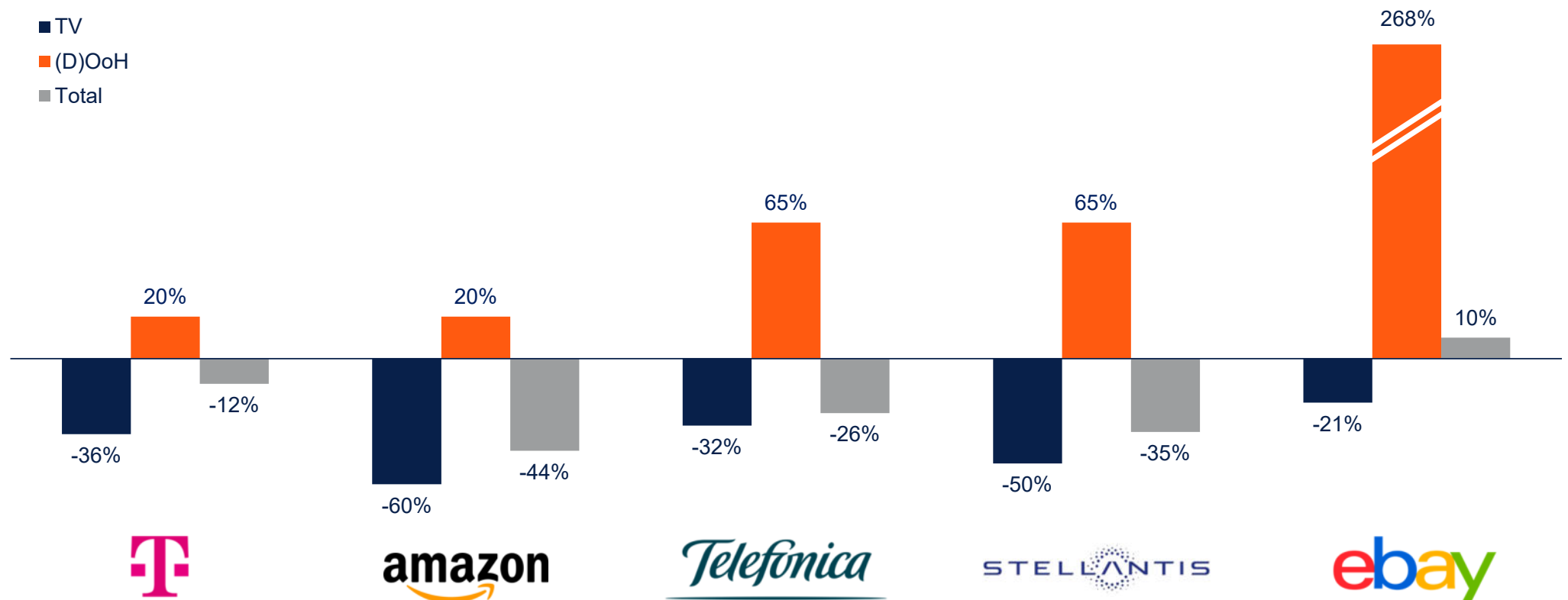
# OoH Category structurally increases Market Shares compared to other Categories



Source: Nielsen Numbers (gross) 2013 - 2022 (without Direct Mail); 2023 Nielsen projection based on econometric modelling

# Structural Change I: (D)OoH Uplift H1 2023 vs. H1 2022

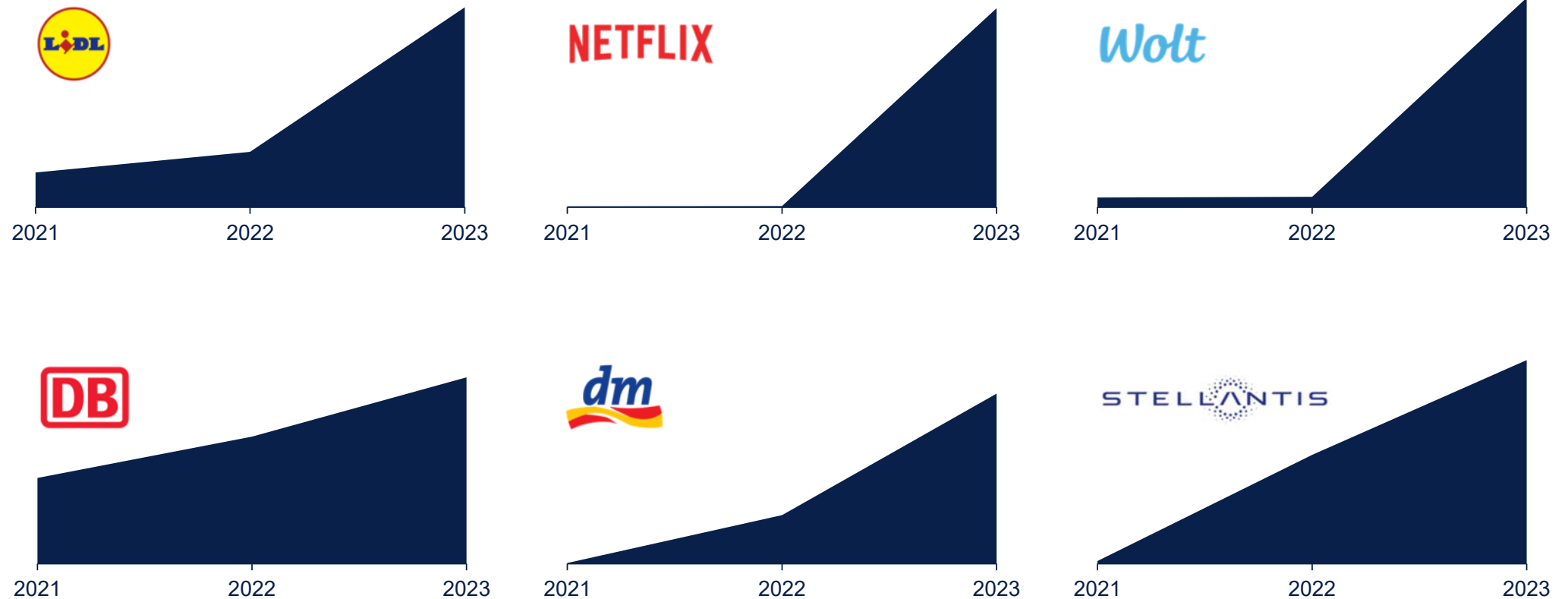
Major Player shift Budgets from TV to (D)OoH and reduce total Spendings



Source: Nielsen Numbers (gross) 1. HY 2022 - 2023 (without direct mail)

# Structural Change II: Continuous Growth Development

## H1 2021 - H1 2023 Uplift in (D)OoH Spendings



Source: Ströer Data



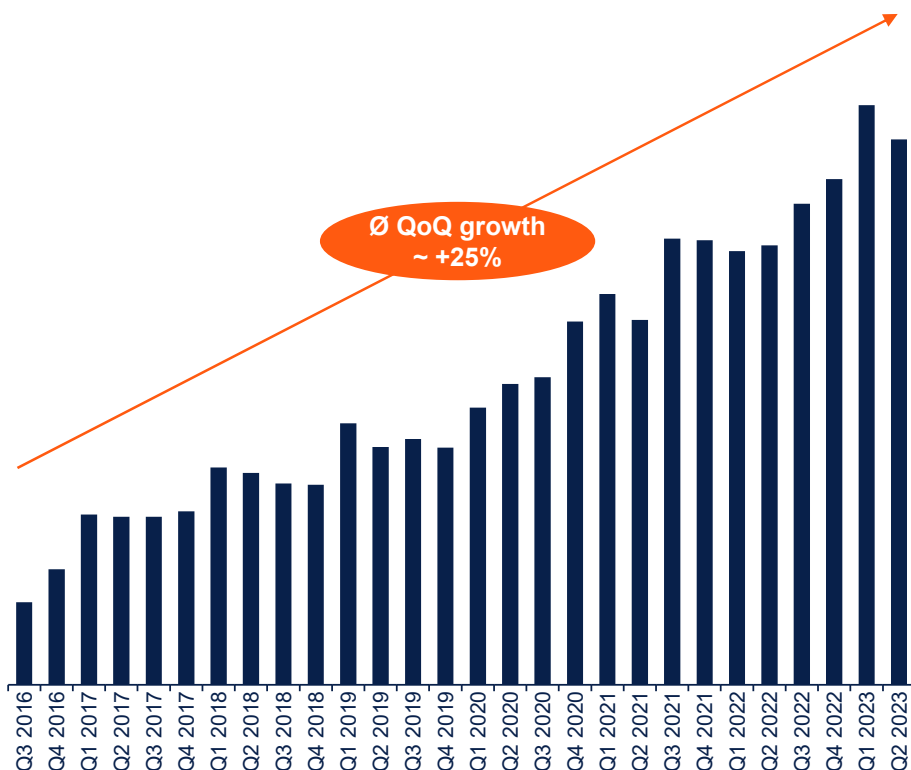
# Proof of Success

## Ritter Sport Product Launch & Mövenpick Brand Campaign



# Asam – Strong Outperformance of the German Beauty & Personal Care Market

## Quarterly development of sales



## New German distribution partner

- New German distribution partner with #1 drugstore chain dm starting in Q1/2024 fuels additional growth
- Profitable growth in all channels – Online / Retail / International; sustainable double-digit e-commerce margin
- Refocused internationalization strategy pays off
  - China with strong growth dynamics due to selected intelligent personal care product range
  - Launch of further ‘made in Germany’ product with ‘hero’ potential and good pre-order-volumes



# Statista I: Significant Potential through AI

Launch of a Customer facing 'StatistaGPT' planned until the End of 2023

The image shows a screenshot of the Statista website homepage. The header features the Statista logo, a navigation menu with items like 'Prices & Access', 'Statistics', 'Reports', 'Insights', 'Infographics', 'Services', and a 'Login' button. The main content area has the headline 'Empowering people with data' and a sub-headline 'Insights and facts across 170 Industries and 150+ countries'. Below this is a search bar with the text 'Find statistics, forecasts and reports' and a 'Statista Search' button. A second search bar below it contains the text 'Fragen Sie mich etwas...' and icons for voice search, image search, and chat. At the bottom, there are several topic tags: 'Social media usage', 'E-commerce worldwide', 'Artificial intelligence (AI)', 'Netflix', 'Global inflation', 'TikTok', 'Electric vehicles', 'Sustainability', 'Gaming', and 'Fast fashion'. Three white callout boxes are overlaid on the screenshot: one on the left, one on the right, and one at the bottom right.

Currently based on vector search and OpenAI

Launch planned for end of 2023

Works in production environment with real data

Fencing, security etc. w.i.p.

# Statista II: Significant Improvements in Productivity & Topline-Effects Scalability over Time

Examples for activities and estimates on effects

- Customized landing pages
- Performance Marketing
- 'Salesforce'
- 'StatistaGPT'
- Faster time2insight
- Use case based access
- Churn reduction



- Personalization
- Translation
- Research efficiency
- Text quality
- Translation
- Coding
- Onboarding
- Routine questions

## Results

### Topline

- Uplift

Significant positive effects

### Costs/time production

- Reduction

# Agenda



**Group Update**



**Financials**



**Outlook**

# Profit and Loss Statement Q2 2023

m€	Q2 2022	Q2 2023	▲
<b>Revenues</b>	<b>425.0</b>	<b>454.8</b>	<b>+7%</b>
Organic growth	+13.8%	+7.3%	-6.5%pts
<b>EBITDA (adjusted)</b>	<b>125.7</b>	<b>130.0</b>	<b>+3%</b>
Exceptional items	11.5	-1.5	n/a
<b>EBITDA</b>	<b>137.1</b>	<b>128.6</b>	<b>-6%</b>
Depreciation & Amortization <sup>(1)</sup>	-75.5	-76.7	-2%
<b>EBIT</b>	<b>61.7</b>	<b>51.9</b>	<b>-16%</b>
Financial result <sup>(1)</sup>	-6.3	-14.7	>-100%
<b>EBT</b>	<b>55.4</b>	<b>37.2</b>	<b>-33%</b>
Tax result <sup>(2)</sup>	-12.8	-10.3	+20%
<b>Net Income</b>	<b>42.6</b>	<b>26.9</b>	<b>-37%</b>
Adjustments <sup>(3)</sup>	-3.6	4.3	n/a
<b>Net Income (adjusted)</b>	<b>39.0</b>	<b>31.2</b>	<b>-20%</b>

<sup>(1)</sup> Thereof attributable to IFRS 16 in D&A 49.5m€ (PY: 50.4m€) and in financial result 7.2m€ (PY: 3.8m€)

<sup>(2)</sup> Tax rate according to IFRS is 27.6% (PY: 23.0%)

<sup>(3)</sup> Adjusted for exceptional items (+1.5m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +4.8m€), in financial result (-0.8m€) and in income taxes (-1.3m€)

# Free Cash Flow Perspective

m€	Q2		6M	
	2022	2023	2022	2023
<b>EBITDA (adjusted)</b>	<b>125.7</b>	<b>130.0</b>	<b>220.3</b>	<b>227.2</b>
- Exceptional items	11.5	-1.5	8.2	-4.3
<b>EBITDA</b>	<b>137.1</b>	<b>128.6</b>	<b>228.4</b>	<b>222.9</b>
- Interest	-5.9	-17.9	-11.0	-28.6
- Tax	-7.3	-12.1	-11.9	-27.2
-/+ WC	6.3	-18.0	-32.6	-25.5
-/+ Others	-11.9	6.9	-23.0	-1.5
<b>Operating Cash Flow</b>	<b>118.4</b>	<b>87.5</b>	<b>149.9</b>	<b>140.1</b>
<b>Investments (before M&amp;A)</b>	<b>-32.5</b>	<b>-31.5</b>	<b>-66.3</b>	<b>-62.8</b>
<b>Free Cash Flow (before M&amp;A)</b>	<b>85.8</b>	<b>56.0</b>	<b>83.7</b>	<b>77.3</b>
Lease liability repayments (IFRS 16) <sup>(2)</sup>	-43.0	-57.1	-84.7	-92.9
<b>Free Cash Flow (adjusted)<sup>(3)</sup></b>	<b>42.8</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-15.6</b>

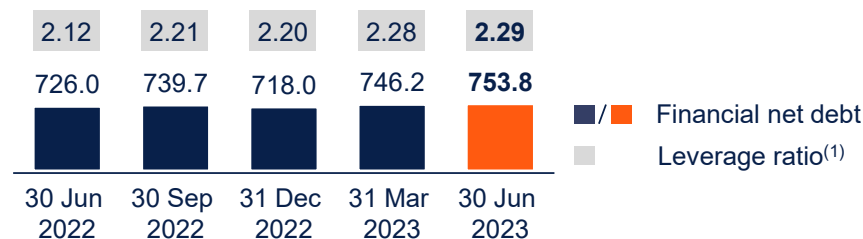
<sup>(1)</sup> Net debt and adj. EBITDA of last 12 month adjusted for IFRS 16

<sup>(2)</sup> Part of Cash Flow from financing activities

<sup>(3)</sup> Before M&A and incl. IFRS 16 lease liability repayments

## Comment

- H1 Cash Flow especially characterized by higher interest and tax payments compared to PY; effect from rising interest rates increased in Q2
- YTD view of WC position with improvement
- Increase in Others reflects counter effect from adjustment of non-cash one-offs in PY period (disposal of international digital business, partly release of stock option plan)
- Investments in Q2 and YTD slightly below PY level
- IFRS 16 repayments include phasing effects
- Bank leverage ratio<sup>(1)</sup> stable at 2.3x



## Segment Perspective – OoH Media

m€	Q2			▲	6M			▲
	2022	2023			2022	2023		
<b>Segment revenue, thereof</b>	<b>187.1</b>	<b>201.0</b>		<b>+7.4%</b>	<b>338.9</b>	<b>358.2</b>		<b>+5.7%</b>
Classic OoH	122.3	118.9		-2.7%	217.8	213.2		-2.1%
Digital OoH	50.6	66.1		+30.6%	92.9	115.3		+24.2%
OoH Services	14.2	15.9		+12.3%	28.3	29.7		+5.1%
<b>EBITDA (adjusted)</b>	<b>88.2</b>	<b>91.1</b>		<b>+3.3%</b>	<b>147.2</b>	<b>150.0</b>		<b>+1.9%</b>
<b>EBITDA margin (adjusted)</b>	<b>47.2%</b>	<b>45.4%</b>		<b>-1.8%pts</b>	<b>43.4%</b>	<b>41.9%</b>		<b>-1.5%pts</b>

### Comment

- Ongoing growth in OOH Media, against a declining German ad market
- Revenue increase reflects rising demand for digital portfolio, especially for PPV from national customers
- Growth adjusted for tobacco ads was 9.9% in Q2 and 7.9% YTD; effect mainly has an impact on Classic OoH; adjusted revenue is slightly above PY
- Moderate growth of EBITDA (adj.) despite cost inflation



## Segment Perspective – Digital & Dialog Media

m€	Q2			▲	6M			▲
	2022	2023			2022	2023		
<b>Segment revenue, thereof</b>	<b>181.4</b>	<b>191.9</b>		<b>+5.8%</b>	<b>351.7</b>	<b>371.7</b>		<b>+5.7%</b>
Digital	98.3	96.4		-1.9%	187.0	181.4		-3.0%
Dialog	83.1	95.5		+14.9%	164.7	190.4		+15.5%
<b>EBITDA (adjusted)</b>	<b>40.4</b>	<b>30.9</b>		<b>-23.5%</b>	<b>77.9</b>	<b>63.9</b>		<b>-17.9%</b>
<b>EBITDA margin (adjusted)</b>	<b>22.3%</b>	<b>16.1%</b>		<b>-6.2%pts</b>	<b>22.1%</b>	<b>17.2%</b>		<b>-4.9%pts</b>

### Comment

- Digital (online advertising and content publishing) with a solid development in H1 despite decreasing spendings for online advertising and taking into account the revenues from our Turkish business activities in PY period; organic revenue growth slightly positive
- Dialog (Call Center and D2D) with ongoing strong revenue growth in Q2 especially driven by highly successful direct sales activities for telecommunication products in Germany; Call Center contributing to the revenue increase as well
- EBITDA (adj.) burdened by challenging market conditions for high margin digital ad business



## Segment Perspective – DaaS & E-Commerce

m€	Q2			▲	6M		
	2022	2023			2022	2023	▲
<b>Segment revenue, thereof</b>	<b>71.1</b>	<b>83.4</b>		<b>+17.4%</b>	<b>142.1</b>	<b>171.2</b>	<b>+20.5%</b>
Data as a Service	33.7	37.0		+9.9%	67.8	75.5	+11.4%
E-Commerce	37.4	46.4		+24.1%	74.3	95.7	+28.8%
<b>EBITDA (adjusted)</b>	<b>4.1</b>	<b>14.9</b>		<b>&gt;+100%</b>	<b>10.0</b>	<b>27.3</b>	<b>&gt;+100%</b>
<b>EBITDA margin (adjusted)</b>	<b>5.7%</b>	<b>17.8%</b>		<b>+12.1%pts</b>	<b>7.1%</b>	<b>15.9%</b>	<b>+8.9%pts</b>

### Comment

- Segment with dynamic growth especially in E-Commerce and with strong earnings trajectory
- Statista: Continuous growth driven by existing and new clients
- Asam: Significant revenue and earnings growth across all sales channels
- EBITDA (adj.) with significant increase, underlining profitability potential from scaling of both assets

# ESG-Ratings – Strengthening our Profile

ESG-Rating	Current scores	Trend	Sector-comparison
<b>MSCI</b> 	<b>A (6,9)</b>    05/2023	<b>+1,6 points</b>	<b>0,9 points above average</b>
<b>ISS</b>  Company Score	<b>C- (48,12)</b>    04/2023	+1,65 points	Above average (4-Decile)
<b>REFINITIV</b> 	<b>A-</b>    06/2023	unchanged	Top-10% in our sector
<b>S&amp;P Global</b>  CSA	<b>38</b>    2022	unchanged	90-Percentile in our sector
<b>MOODY'S</b>   <b>ESG Solutions</b>	<b>50</b>    06/2023	<b>+21 points</b>	<b>5 points above average (45)</b>
 <b>SUSTAINALYTICS</b> <small>a Morningstar company</small>	<b>13,6</b>    05/2023	+0,2 points	Top-20% in media, rank 5 in advertising

# Agenda



**Group Update**



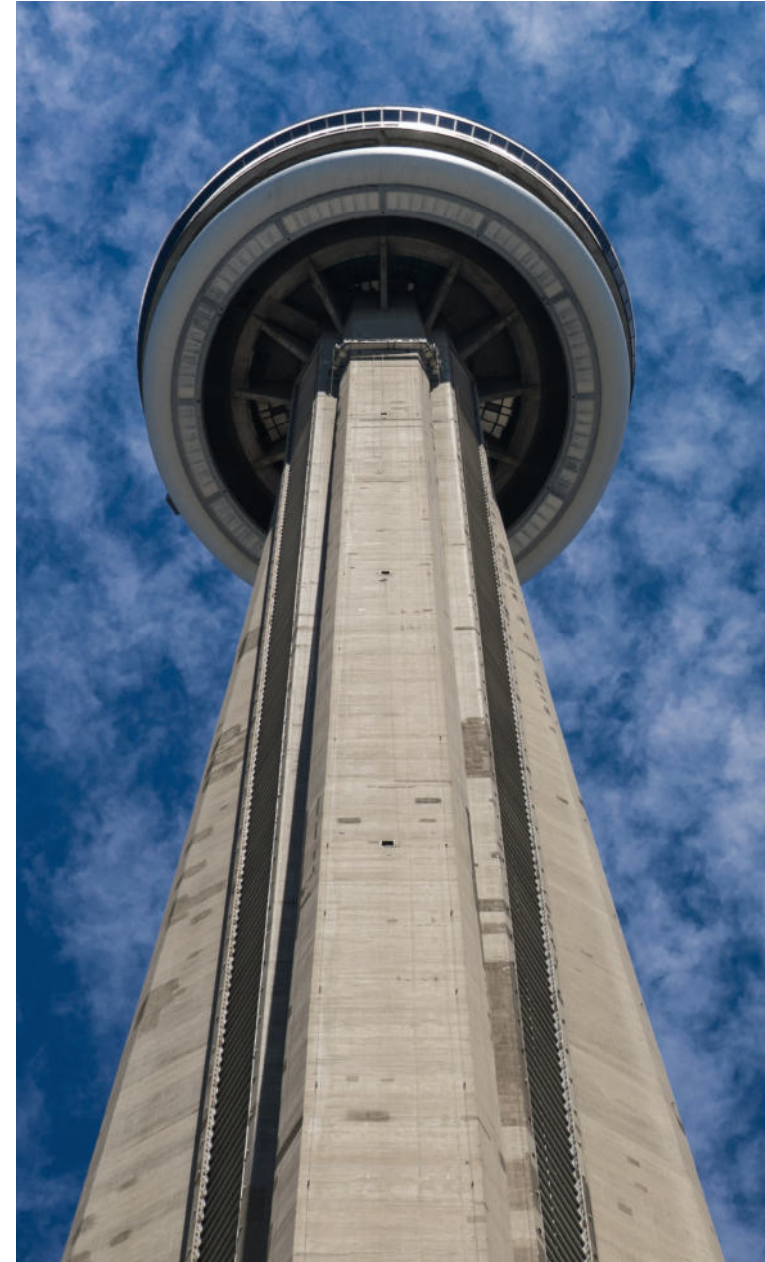
**Financials**



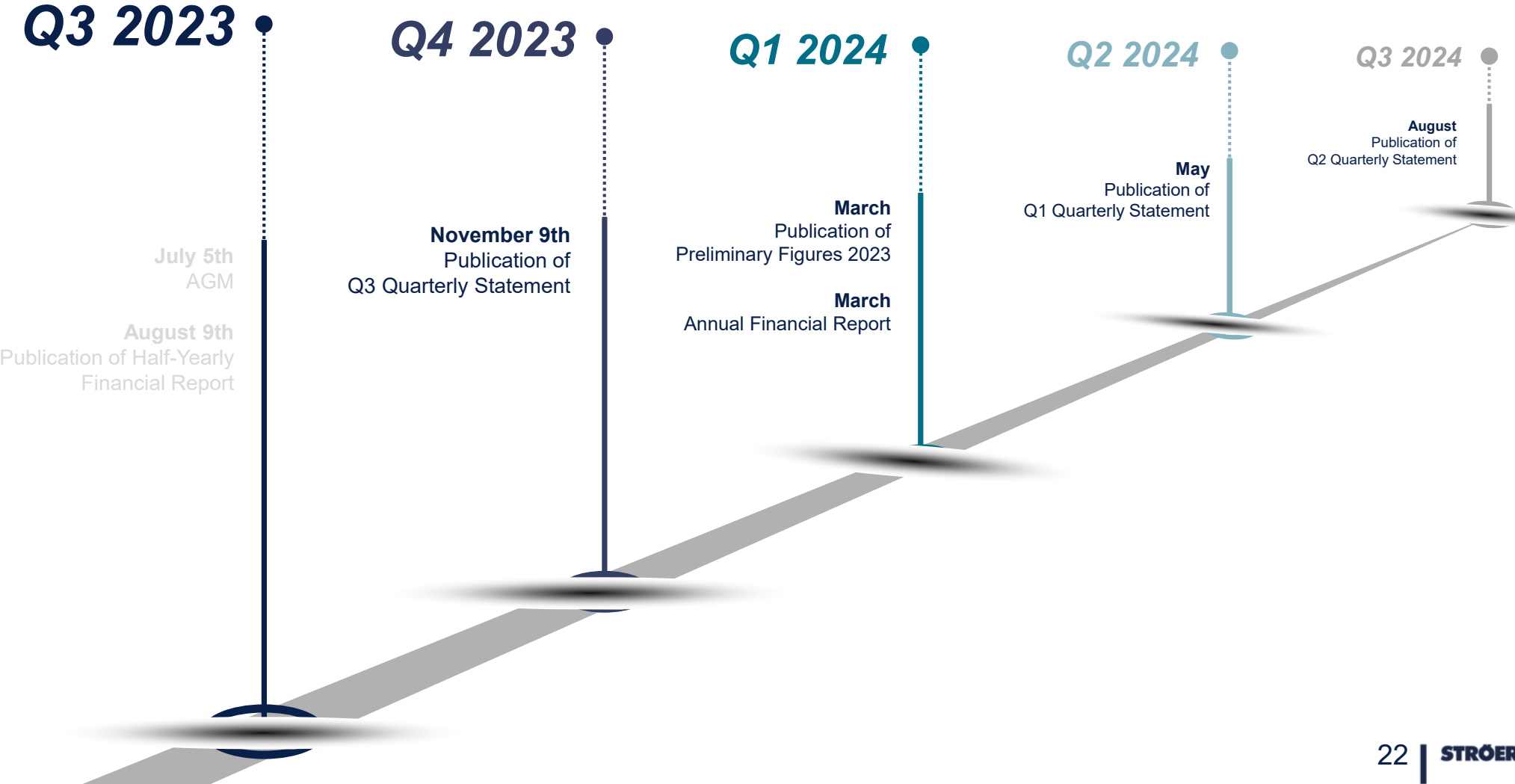
**Outlook**

# 2023 – Outlook

- For the **second half 2023** we expect
  - our **OoH Media** segment to **substantially outperform** the still challenging German ad market with **strong DOoH dynamics**
  - our **Digital & Dialog Media** segment to deliver a **better earnings development** compared to the prior year than in H1
  - our **DaaS & E-Commerce** segment to achieve **continued** strong **sales growth** and **margin improvement as in H1**
- Based on our development in H1, the current status of our orderbook and assuming no significant change in market trends we expect Group **full year sales and EBITDA adjusted** to be broadly **in line with consensus** and **slightly accelerating dynamics throughout H2**
- We see our **structural growth drivers unchanged**: Digitization of OoH, sustainably growing SME business backbone, client access via Plus businesses, profitable growth of non-core assets



# Financial Calendar 2023





**OOH<sup>+</sup>**

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