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# Ströer SE & Co. KGaA

Goldman Sachs 25th Annual Communacopia  
Conference, New York, Sep. 20-22, 2016

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# STRÖER #1 in OOH & DIGITAL



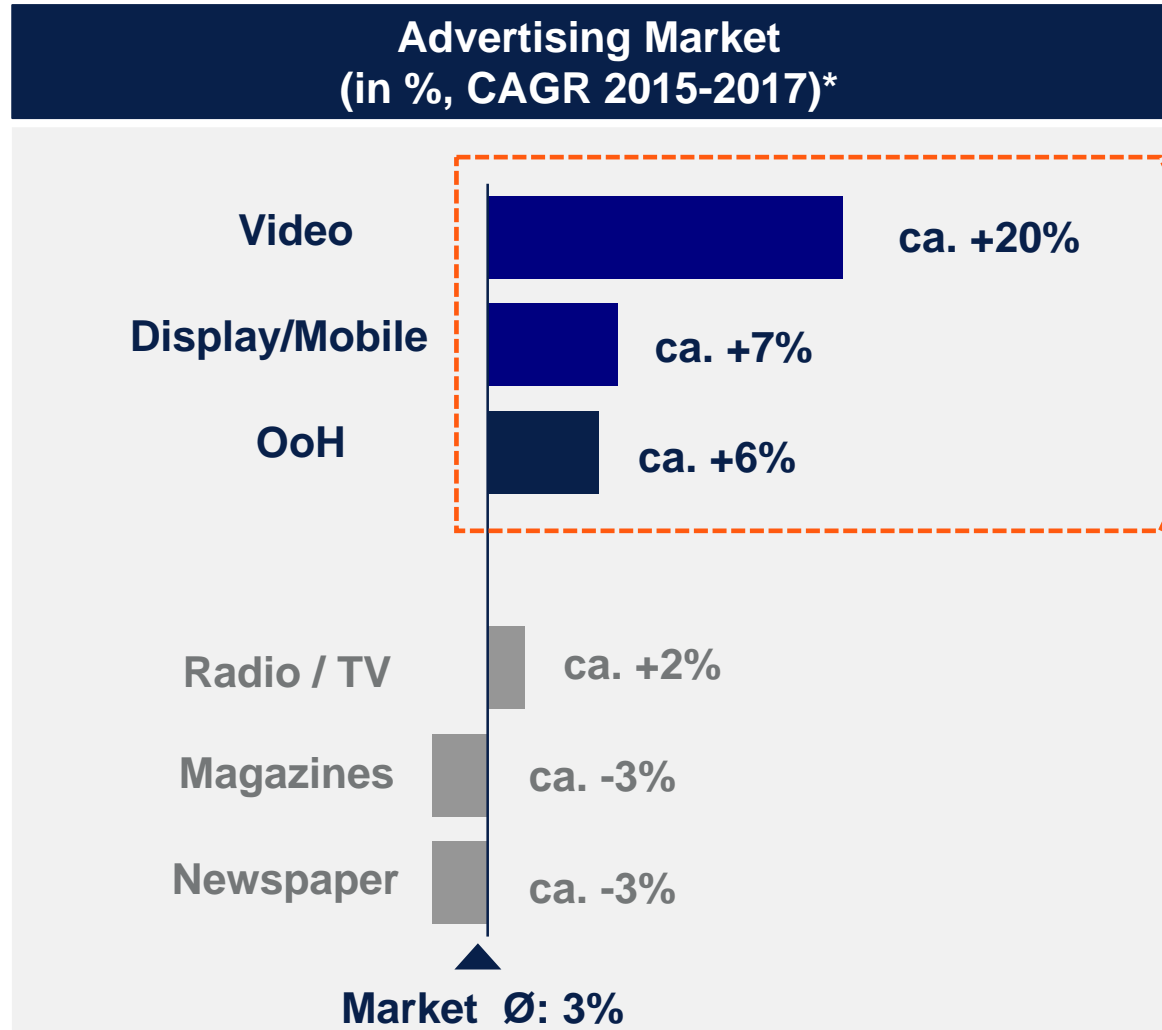
Nicht warten,  
sondern starten:  
In nur 2 Stunden  
landen wir  
in Nizza.

Günstig weg  
Ein Produkt von Lufthansa.

Start ab Hamburg  
zu über 20 Zielen  
in Europa.

There's no better way to fly.  
**Lufthansa**

# Ströer: Focus on highest growing Ad Sub Segments



**Ströer's Focus**

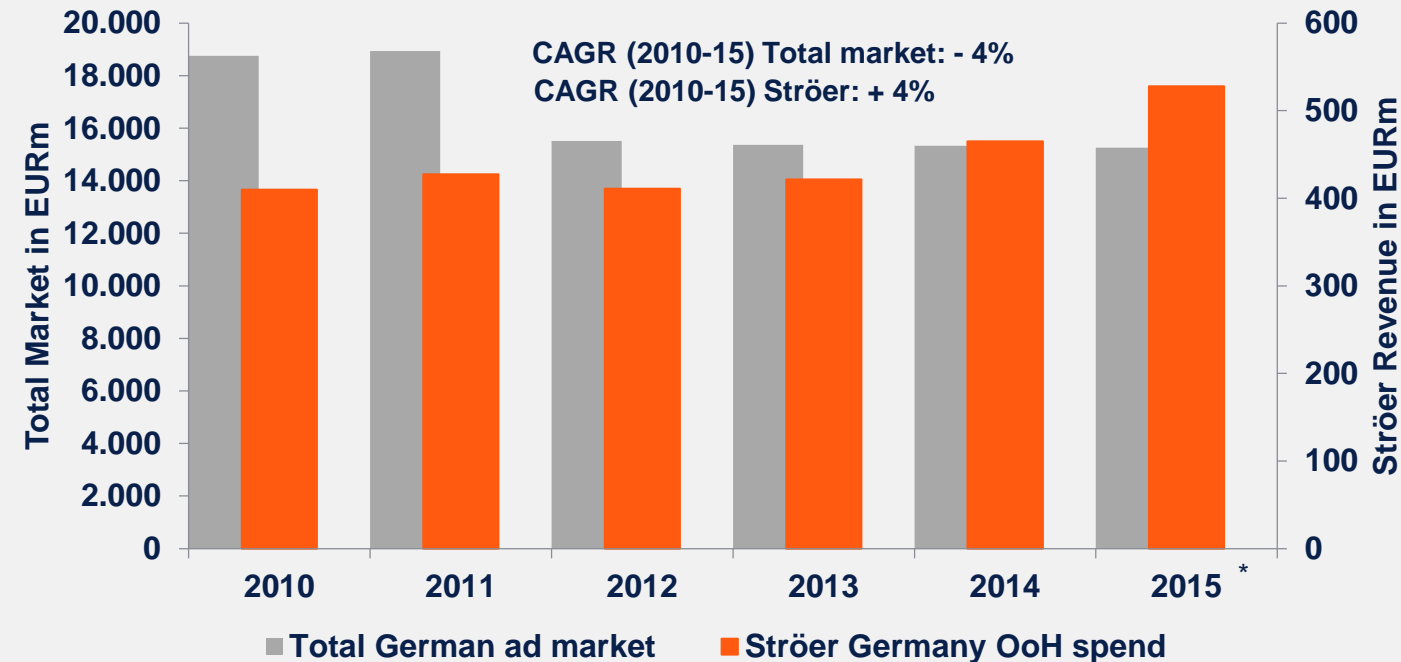
- **Video**
  - **TOP3 WEB TV** with 900m video views (incl. social media)
  - **Leading public video network** in Europe with 3bn views per month
- **Display/Mobile**
  - **# 1 German Sales House**  
(~ 1,000 exclusive websites access to around 5,000 more in extended network, 35 - 40% of revenues based on own digital websites)
- **Transactional**
  - Leading statistics portal worldwide - Statista
  - Various strong subscription revenue models
- **OoH**
  - **# 1 marketer in Germany**
  - 230,000 advertising faces
  - ~50% market share

\*Source: Video, Display/Mobile – PwC; OOH, Radio / TV, Magazines, Newspaper – Zenith OptiMedia/GroupM

# Ströer outperformed the total Ad Market & OoH Market

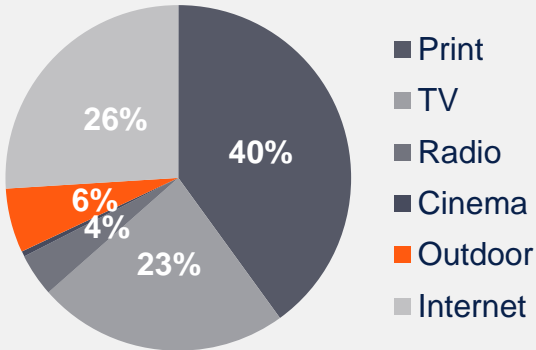
## Ströer's OoH Market Share beyond 50%

Ströer / OoH market	44%	46%	44%	46%	50%	52%
OoH / Total market	4.1%	4.7%	5.6%	5.8%	6.0%	6.6%



## Media Market Breakdown

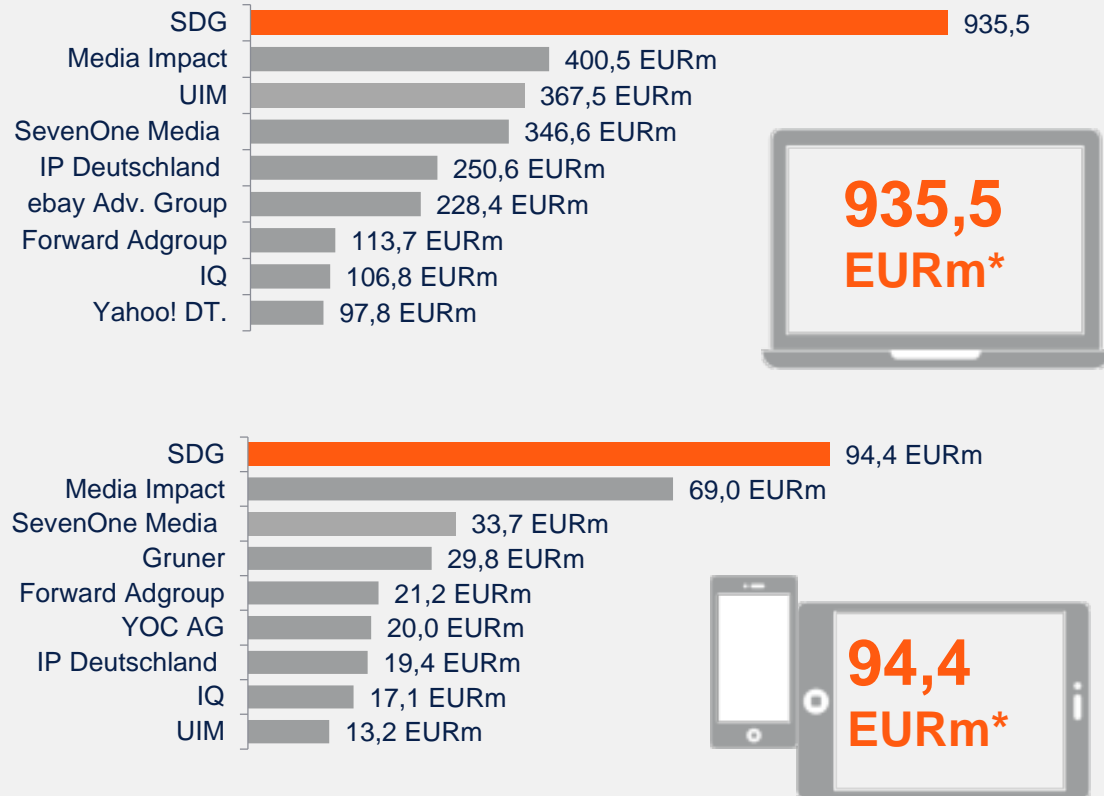
- Print market share (magazines and newspapers) is constantly declining
- Out of Home market share is continuously growing, in 2015 exceeds radio advertising spendings for the first time
- Online overall is still showing massive growth in advertising spendings



Source: Nielsen, ZAW, FAW;

# Digital: Market Leadership and Launch of new Products and Services

## Clear German Market Leader in both Display & Mobile



## Roll out of new Products on ONE Platform



Roadblock Pilot: June 2016



- New products to offer reach and quality products for advertisers e.g. Homepage Roadblock, First Contact
- Automatized yield optimization drives monetization for publishers by approx. 15%
- New cooperations and acquisitions enable new services to offer full range monetization (e.g. TWIAGO)
- DMP strategy and roll out from ONE tech are central enabler for further growth

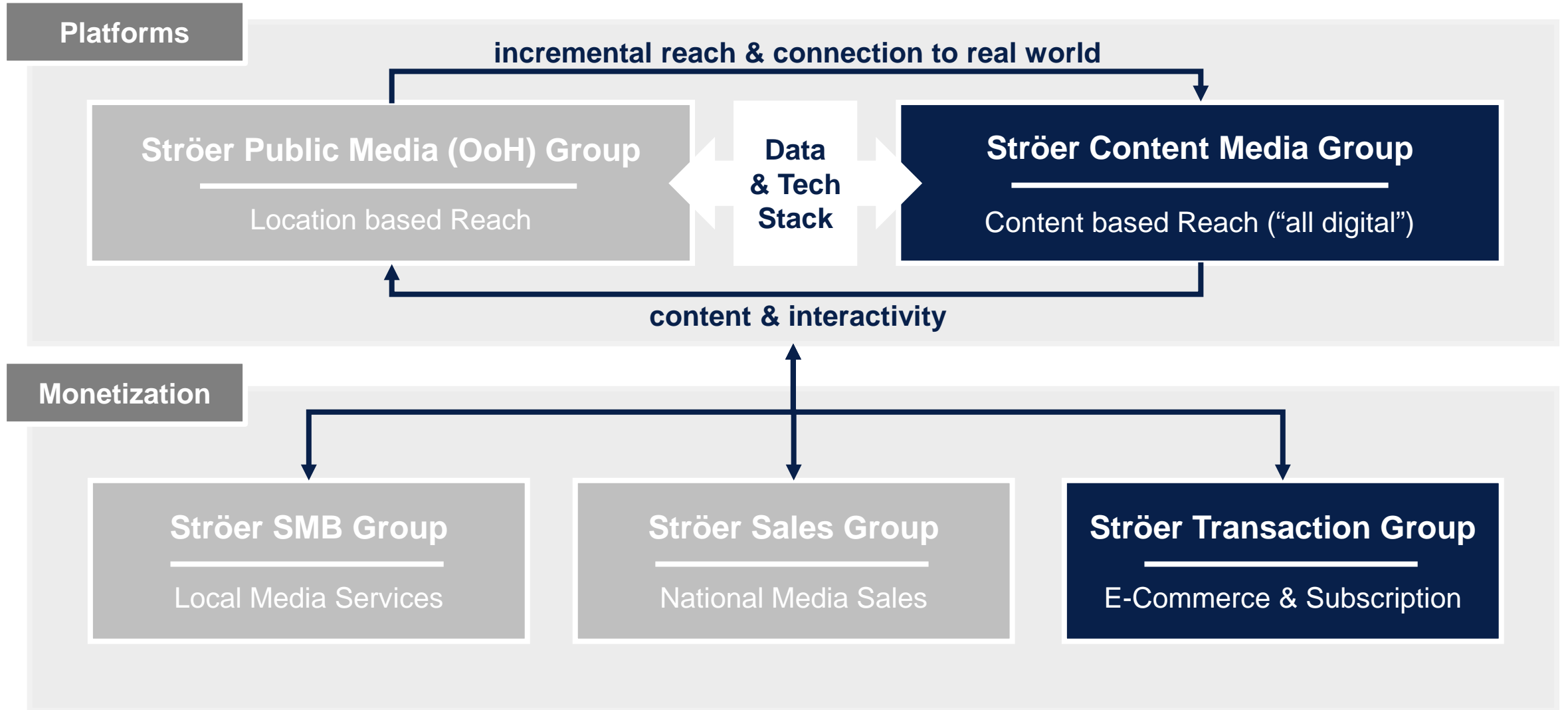
\* Source: Nielsen Fully Year 2015 (excluding adScale, TubeOne)

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# STRATEGIC UPDATE



# Ströer Multi-Channel & Integrated Monetization Ecosystem



## All M&A Activities follow Three Clear Principles

1. Every target or new asset has a robust standalone case.
2. Every acquired asset needs to perform better with Ströer than in a standalone case based on our group synergies.
3. Every asset also delivers synergies or scale effects back to our group.





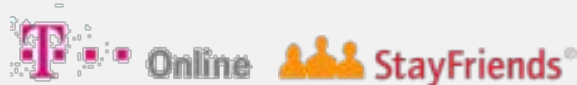
# M&A follow a consistent Strategy: Three Value Creation Approaches (1)



A

## Re-Positioning Cases

- Robust standalone case with strong cash-flow and high margin – but clear re-positioning potential
- *Examples:*



B

## Dynamic Growth Cases

- Structurally fast and sustainably growing business model with a still limited margin or investment case
- *Examples:*



C

## Consolidation Cases

- Individually interesting assets or products in a fragmented market segment with lack of USP or scale
- *Examples (consolidation into ...):*



# M&A follow a consistent Strategy: Three Value Creation Approaches (2)

A

## Re-Positioning Cases

- We stabilize and protect top line performance through strong group levers, media for equity and marketing/sales support
- We improve bottom-line massively through cost reduction and structural efficiency programs

B

## Dynamic Growth Cases

- We accelerate the underlying growth through three key elements
  1. capital / cash-flow
  2. management support
  3. tailor-made, selective group support packages

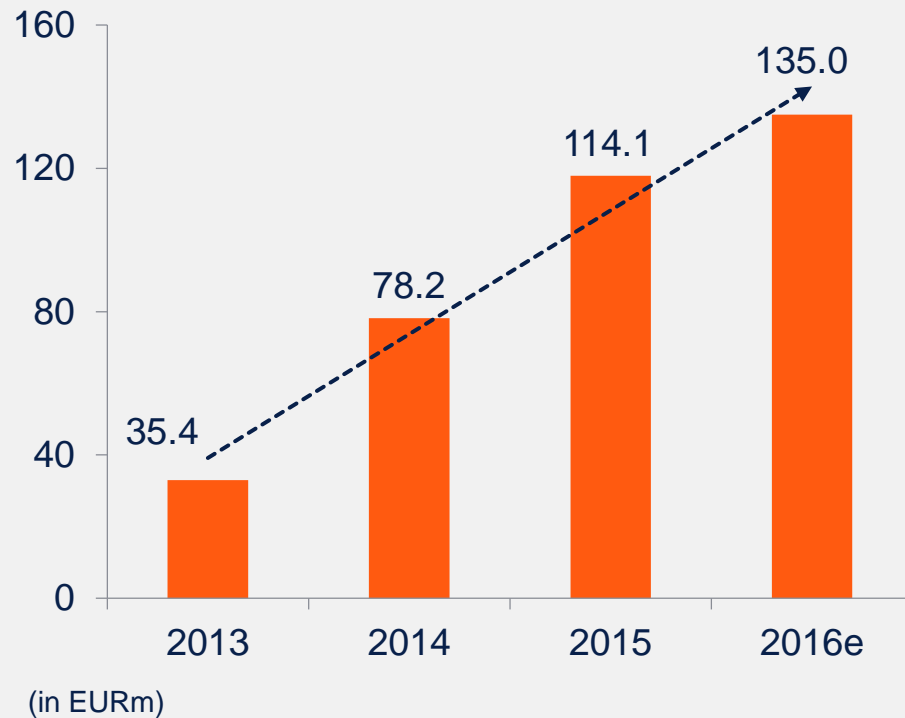
C

## Consolidation Cases

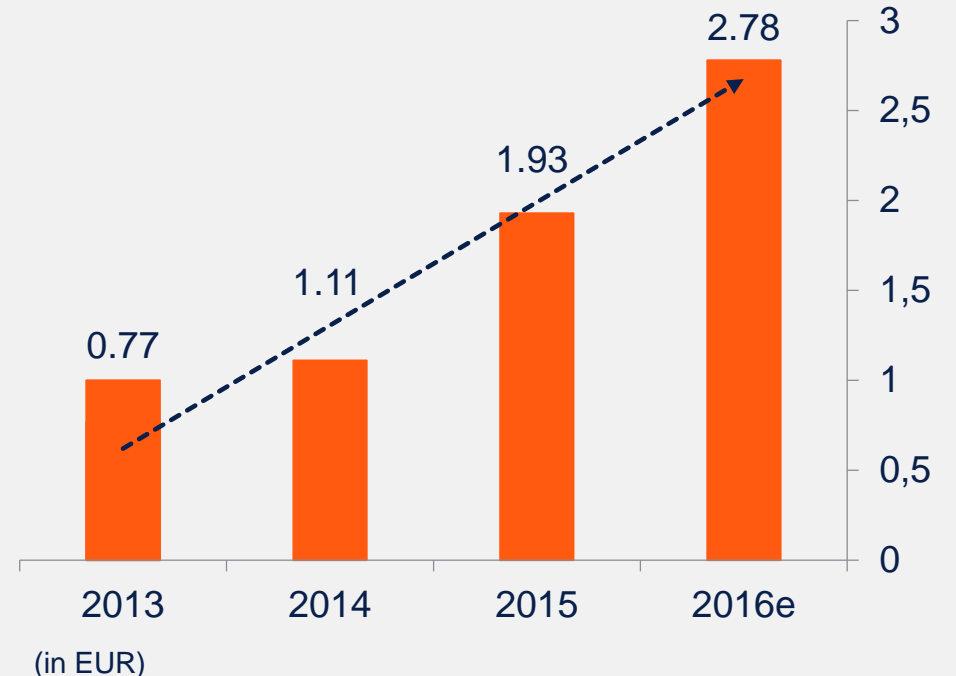
- We merge various assets and build one consolidated platform to drive market share and leverage structural synergies
- We focus primarily on tech alignment, overhead reduction and consolidation of salesforces

# Our M&A Strategy pays off: Significant KPI Improvements

Free Cash Flow (before M&A)  
increased ~ 4 times since 2013



Adjusted EPS increased ~ 4 times since 2013



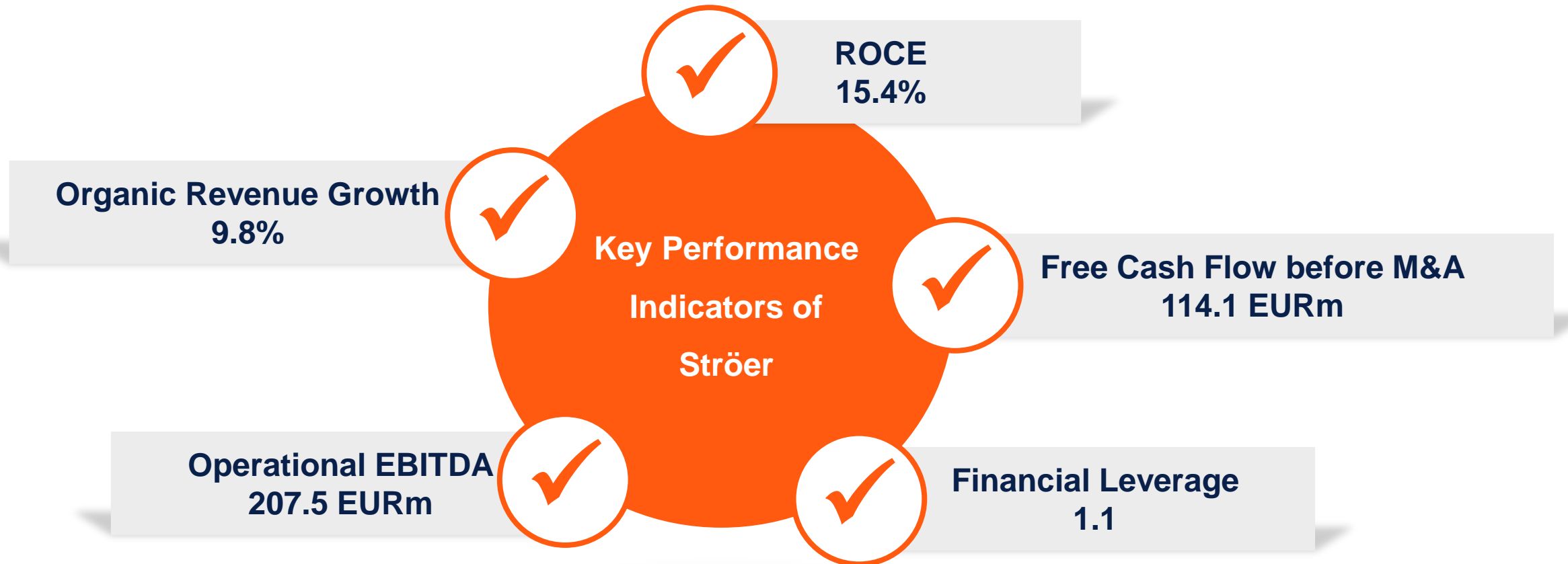
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# FINANCIALS FY 2015



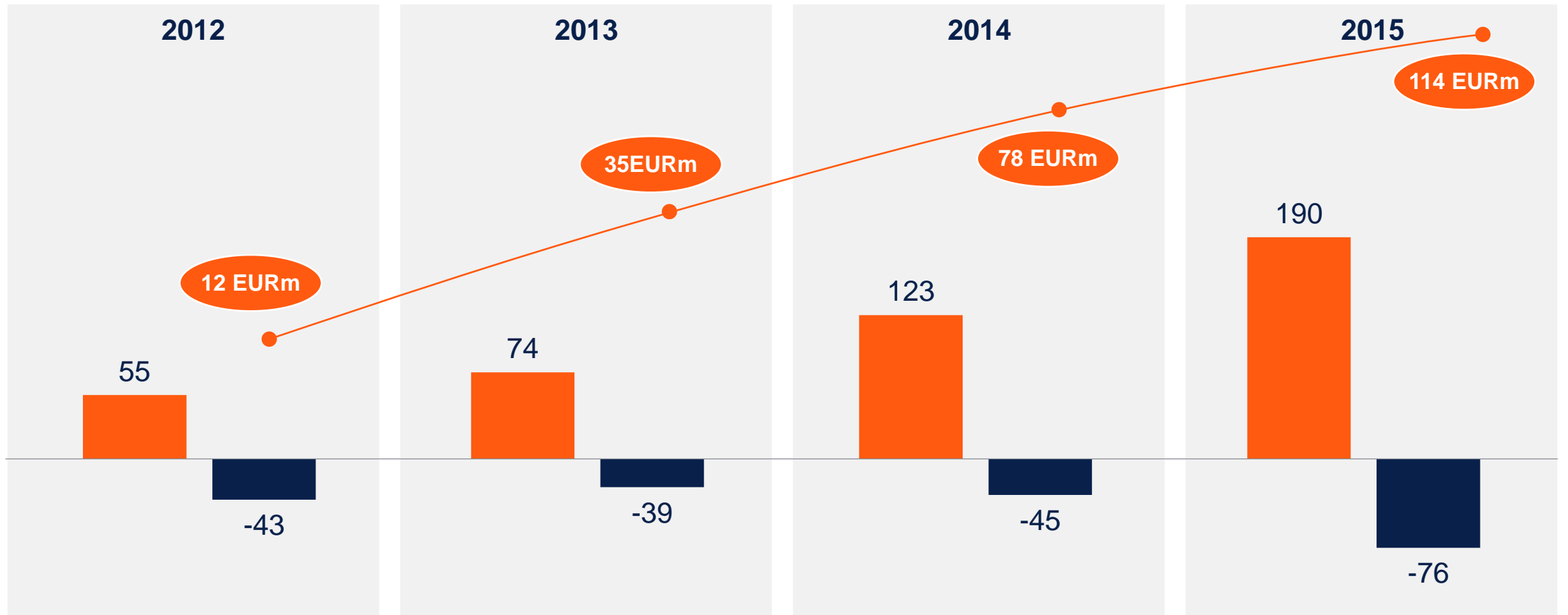
# Steering the Ströer Group – Key Performance Indicators

In 2015, all Key Performance Indicators of Ströer Group performed well

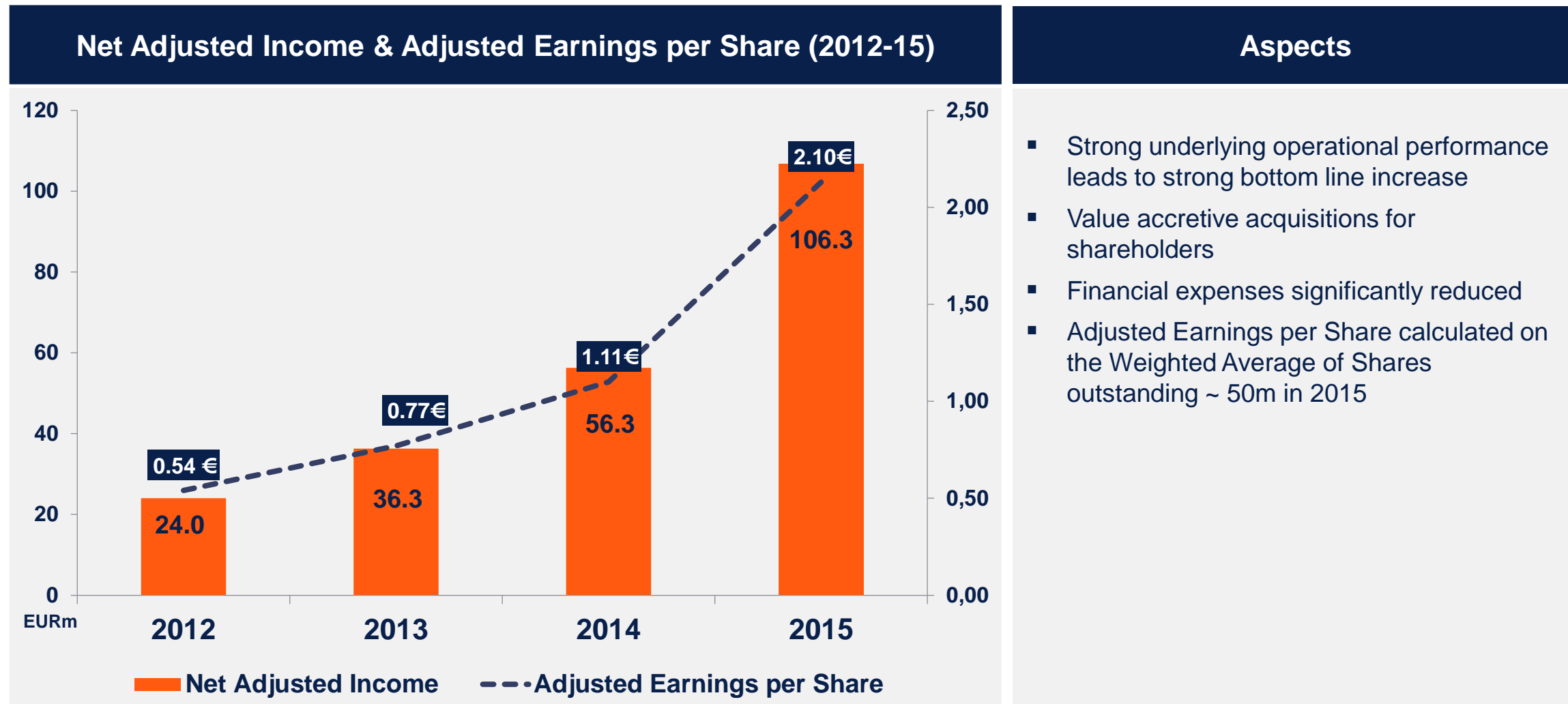


# Strong Cashflow Development

CAGR 2012-2015: Free Cash Flow > 100%



# Adjusted Earnings per Share almost tripled since 2013



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**FINANCIALS H1 2016**





## Summary: Excellent First Half 2016

**Total revenue growth by 38% to 502.3 EURm**



**Operational EBITDA expanded by 46% to 114.6 EURm**



**Net Income (adjusted) almost doubled to 60.6 EURm**



**Operating Cash Flow more than doubled to 83.4 EURm**



**Leverage Ratio at 1.5 times operational EBITDA**



# H1 Results 2016, Guidance Statement 2016

	H1 2016	▲	Specified FY Guidance
<b>Revenue</b>	502.3 EURm	38 %	1.1 - 1.2 EURbn
<b>Operational EBITDA</b>	114.6 EURm	46%	More than 280EURm
<b>Organic Revenue Growth</b>	8.7%	(2015: 8.4%)	Mid to high single digit organic growth

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The logo for STRÖER, featuring the word "STRÖER" in a bold, white, sans-serif font with a small registered trademark symbol (®) to the upper right of the 'R'. The logo is set against a solid orange rectangular background.