

QUARTERLY STATEMENT

Ströer exceeds own expectations in the third quarter of 2020 Confident outlook for robust year-end business

- **Ströer successfully protects prior-year margin of 35 percent during the crisis thanks to its ‘OOH plus’ strategy**
- **Moderate decline in consolidated revenue (down by 6 percent) to EUR 355m (prior year: EUR 380m) due to the coronavirus pandemic; decrease in organic revenue (down by 5 percent)**
- **EBITDA (adjusted) contracts by 5 percent from EUR 131m to EUR 125m**

Cologne, November 12, 2020

Ströer SE & Co. KGaA is presenting its results for the third quarter of 2020. Against the backdrop of the coronavirus pandemic and the revival of most aspects of public life, Ströer was once again able to demonstrate the strength of its ‘OOH plus’ strategy – the combination of the core OOH business and the supporting Digital OOH & Content and Direct Media segments. Content-based business segments such as T-Online, the world’s leading business data platform Statista, and direct media activities proved to be particularly robust in this challenging environment.

Rather than falling by 15-20 percent as anticipated, the Group’s consolidated revenue declined relatively modestly – by approximately 6 percent – in the third quarter of 2020, from EUR 380m to EUR 355m. Organic revenue contracted at a similar rate (down by 5 percent). EBITDA (adjusted) for the period from July to September 2020 was down by 5 percent year on year at EUR 125m (prior year: EUR 131m).

“Our performance in the third quarter clearly demonstrates the strength of our strategic setup. Our ‘OOH plus’ strategy and our focus on Germany enable us to take on the challenges of the coronavirus pandemic and to leverage both short-term and long-term opportunities and potentials,” says Udo Müller, founder and co-CEO of Ströer. “Our out-of-home advertising business, in particular, bounced back just as quickly in the second half of the third quarter as it had declined in the first half

of the second quarter. Some areas have even seen catch-up effects and revenue growth compared with the corresponding prior-year period.”

“Thanks to our market insight, the disciplined and consistent implementation of our cost management approach, and our highly motivated workforce, we were able to exceed our targets for the third quarter of 2020 and, most importantly, protect the margin we achieved in the previous year. We continue to take a confident view of our long-term structural prospects. Based on the information available to us, we do not expect the renewed lockdown in November to have a substantial impact on our year-end business,” says Christian Schmalzl, co-CEO of Ströer.

OOH Media

Against the backdrop of decline in corona virus cases in the first half of the third quarter, revenue from regional and local marketing business remained very robust. By contrast, the performance of the national business was modest, especially due to the renewed rise in infections towards the end of the quarter. As a result, revenue in the OOH Media segment in the third quarter of 2020 declined both in reported and in organic terms by around 24 percent, from EUR 171m to EUR 131m. The segment’s EBITDA (adjusted) fell by 27 percent over the same period, from EUR 77m to EUR 57m. Thanks to the successful implementation of efficiency enhancement measures, the EBITDA margin (adjusted) stayed more or less on a par with that of the corresponding prior-year period at 43.4 percent (Q3 2019: 45.1 percent).

Digital OOH & Content

Revenue growth in the Digital OOH & Content segment clearly illustrates the strength of the ‘OOH plus’ strategy. In the third quarter of 2020, this segment generated almost the same level of revenue as in the comparative prior-year period despite the coronavirus pandemic. Total reported revenue for the quarter came to EUR 133m (Q3 2019: EUR 134m), which represents only a minor contraction of 0.2 percent. In organic terms, revenue increased by around 3 percent. EBITDA (adjusted) grew at an even greater rate than revenue, coming to EUR 53m. This represents an improvement of around 20 percent compared with the corresponding prior-year figure of EUR 44m. The EBITDA margin (adjusted) stood at 39.5 percent (Q3 2019: 32.8 percent) and therefore exceeded the corresponding prior-year figure significantly.

Direct Media

Revenue growth in the Direct Media segment was very encouraging, thanks to better access to customers for Ranger as well as growing acceptance of call center services and the success of the ASAM Beauty business. All in all, segment revenue went up by around 15 percent in the third quarter to EUR 97m (Q3 2019: EUR 84m). Organic growth over the same period amounted to around 20 percent. EBITDA (adjusted) in the third quarter came to around EUR 20m (Q3 2019: EUR 15m) and the corresponding EBITDA margin (adjusted) was 20.5 percent (Q3 2019: 18.2 percent).

THE GROUP'S FINANCIAL FIGURES AT A GLANCE

Continuing operations

<p>REVENUE EUR 987.4m (prior year: EUR 1,123.1m)</p>	<p>EBITDA (ADJUSTED) EUR 310.6m (prior year: EUR 387.2m)</p>	<p>EBITDA-MARGIN (ADJUSTED) 31.5% (prior year: 34.5%)</p>												
<p>SEGMENT REVENUE In EUR m</p> <table border="1"> <thead> <tr> <th>Segment</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>OOH Media</td> <td>494.7</td> <td>370.7</td> </tr> <tr> <td>Digital OOH & Content</td> <td>399.5</td> <td>378.4</td> </tr> <tr> <td>Direct Media</td> <td>254.7</td> <td>255.5</td> </tr> </tbody> </table>	Segment	2019	2020	OOH Media	494.7	370.7	Digital OOH & Content	399.5	378.4	Direct Media	254.7	255.5	<p>ORGANIC REVENUE GROWTH -11.0% (prior year: 7.2%)</p>	<p>ADJUSTED CONSOLIDATED PROFIT EUR 59.3m (prior year: EUR 128.2m)</p>
Segment	2019	2020												
OOH Media	494.7	370.7												
Digital OOH & Content	399.5	378.4												
Direct Media	254.7	255.5												
	<p>FREE CASH FLOW BEFORE M&A TRANSACTIONS EUR 144.9m (prior year: EUR 203.9m)</p>	<p>ROCE 13.6% (prior year: 19.0%)</p>												

In EUR m	Q3 2020	Q3 2019	9M 2020	9M 2019
Revenue	355.0	379.5	987.4	1,123.1
EBITDA (adjusted)	125.1	131.4	310.6	387.2
Adjustment effects	-5.2	-10.2	-17.5	-23.7
EBITDA	119.9	121.2	293.1	363.5
Amortization, depreciation and impairment losses	-87.9	-90.4	-267.0	-263.8
thereof attributable to purchase price allocations and impairment losses	-13.6	-17.2	-46.7	-51.6
EBIT	32.0	30.8	26.1	99.7
Net finance income/costs	-6.7	-8.3	-21.6	-22.8
EBT	25.3	22.5	4.5	76.9
Taxes	-3.5	-2.6	-0.9	-11.4
Consolidated profit or loss for the period	21.8	20.0	3.6	65.5
Adjusted consolidated profit or loss for the period	37.2	42.2	59.3	128.2
Free cash flow (before M&A transactions)			144.9	203.9
Net debt (30 Sep / 31 Dec)			563.1	547.6

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+” 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 and 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 around 10,000 employees at around 100 locations. In fiscal year 2019, Ströer generated revenue of EUR 1.6b. Ströer SE & Co. KGaA is listed in Deutsche Börse’s MDAX.

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

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