

The new smart fortwo.

FOR

rushing through
rush hour.

Ab dem 22.11. bei
Ihrem smart Händler.



Die Verbrauchswerte beziehen sich auf die zur Verkaufspreispaße (18.09.2014) verfügbaren Motoren (55kW und 66kW). Kraftstoffverbrauch: 4,9l/100km (Smartcar), 3,7l/100km (Smartcar), 4,2-4,1l/100km (Smartcar). CO₂-Emissionen (kombiniert) 77-85g/km. Die Angaben beziehen sich nicht auf die tatsächliche Nutzung, sondern stellen nur einen Richtwert dar. Weitere Informationen zum offiziellen Kraftstoffverbrauch und zu den offiziellen spezifischen CO₂-Emissionen neuer Personenkraftwagen können dem „Leitfaden über den Kraftstoffverbrauch“, der im CO₂-Emissionsaufkleber des Fahrzeuges mit dem Fahrzeugtypen angegeben ist, entnommen werden. Der Anbieter: Daimler AG, Mercedesstraße 137, 70372 Stuttgart.

Q4/FY 2014 RESULTS PRESENTATION

Agenda Q4/FY 2014

- 1** Key developments - Udo Müller, CEO
- 2** Operational highlights - Christian Schmalzl, COO
- 3** Financials - Dr. Bernd Metzner, CFO
- 4** Summary & Outlook - Udo Müller, CEO

Ströer Media SE 2014 results

EURm		FY 2014	▲	Q4 2014	▲
Revenues	reported ⁽¹⁾	721.1	+16%	211.8	+10%
	organic ⁽²⁾		+11%		+10%
Operational EBITDA		148.1	+25%	60.2	+20%
Op. EBITDA margin		20.2%	+1.6%pts	28.0%	+2.2%pts
EBIT (adj.) ⁽³⁾		98.5	+37%	45.9	+25%
Net income (adj.) ⁽⁴⁾		56.3	+55%	29.1	+25%
Free cash flow		65.5	+61EURm	31.4	+9EURm
Capex ⁽⁵⁾		45.2	+16%	19.4	+57%
		31 Dec 2014		31 Dec 2013	
Net debt ⁽⁶⁾ / Leverage Ratio		275.4 / 1.9x		326.1 / 2.8x	

(1) According to IFRS 11

(2) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations

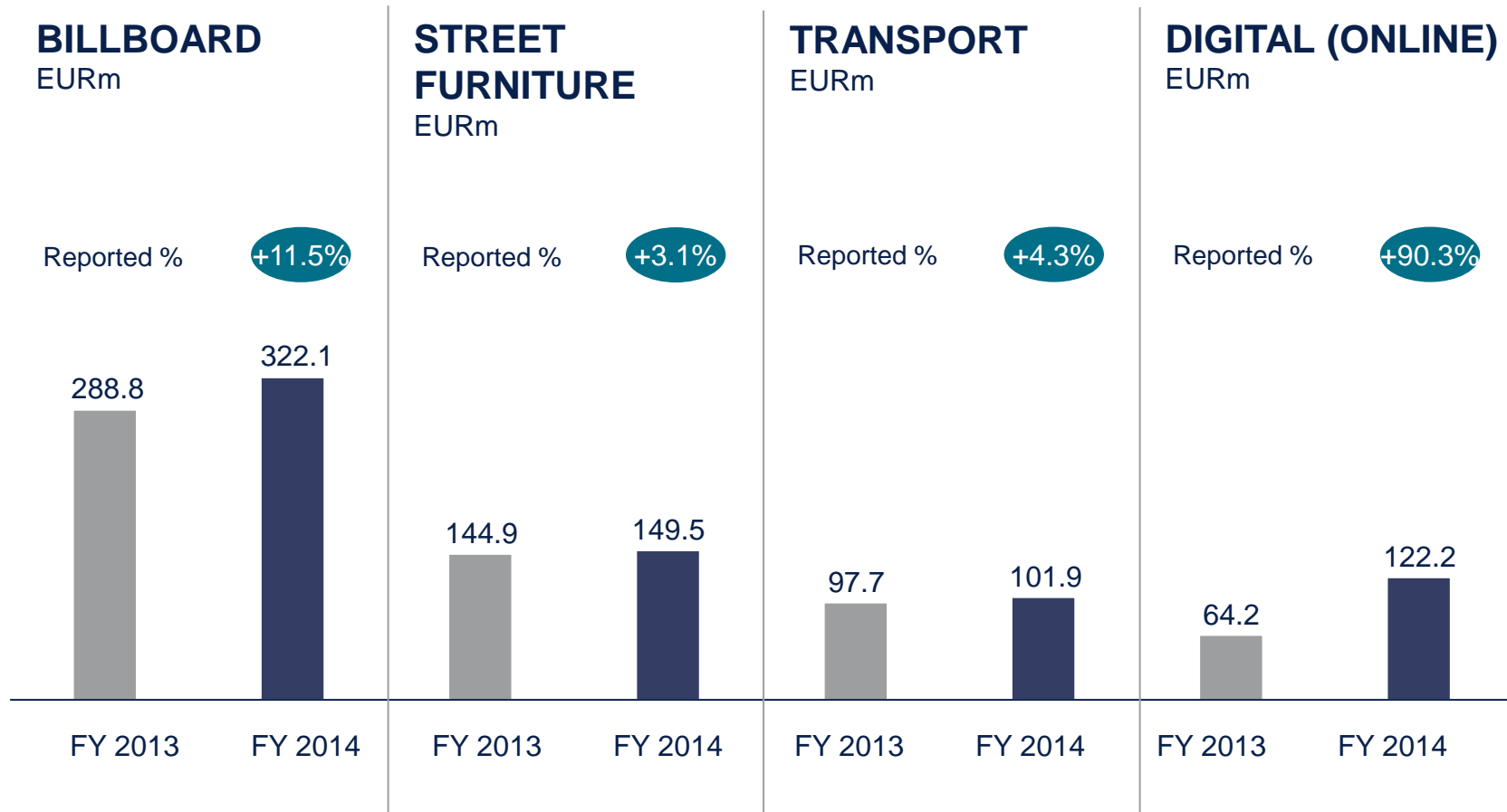
(3) EBIT adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets (Joint ventures are consolidated proportional)

(4) EBIT (adj.) net of the financial result adjusted for exceptional items and the normalized tax expense (32.5% tax rate)

(5) Cash paid for investments in PPE and intangible assets

(6) Net debt = financial liabilities less cash (excl. hedge liabilities)

FY 2014: Digitalization fuels revenue growth



We delivered well on our targets

Actuals 2014		Targets 2014
> 11% organic growth	➤	At least 10% organic growth rate
148 EURm operational EBITDA	➤	Operational EBITDA of around 145 EURm
Net Income (adj) of 56.3 EURm	➤	Net Income (adj) of at least 50 EURm
Leverage 1.9	➤	Leverage of at least 2.0
ROCE at 14%	➤	ROCE at least 10%

Drivers behind success





Online consolidation: Excellent position to monetize premium assets

2012			
#	Vermarkter	%	Mio
1	Tomorrow Focus Media	61.4	31.22
2	InteractiveMedia CCSP	56.9	28.95
3	United Internet Media	54.7	27.83
4	Axel Springer Media Impact	53.6	27.23
5	eBay Advertising Group	51.8	26.35
6	IP Deutschland	50.3	25.56
7	SevenOne Media	50.1	25.49
8	OMS	45.2	22.98
9	Ströer Interactive	45.2	22.98
10	G+J Electronic Media Sales	42.5	21.63

End of 2014			
#	Vermarkter	%	Mio
1	Ströer Digital	66.5	37.02
2	InteractiveMedia CCSP	62.2	33.95
3	Axel Springer Media Impact	58.8	33.17
4	SevenOne Media	54,0	30.91
5	Tomorrow Focus Media	53.9	29.72
6	United Internet Media	51.3	29.19
7	IP Deutschland	47.4	26.28
8	eBay Advertising Group Deutschland	47.2	25.75
9	OMS	45.5	24.50
10	G+J Electronic Media Sales	38.4	22.79

✓ Premium exclusive marketing for around > 400 websites

✓ 15 channels in place

✓ Technological leadership

✓ Access to agencies



Sales excellence: Delivering organic growth

Ströer 2014

Market dynamics
Germany

Total revenue growth in Germany

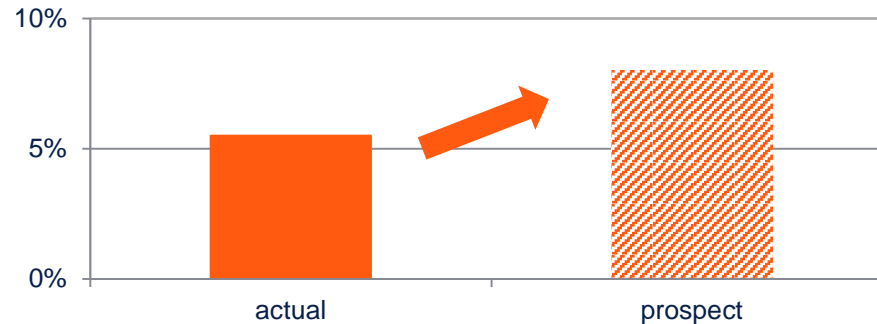


National

Regional

- 1. National sales steered directly by board**
 - 2. Increase of customer base**
 - Financials and FMCG
 - 3. Increase of retention rate**
- 2,000 unutilized network spaces released for regional booking
 - ~100 additional sales people in place
 - Additional 16m Euro revenue in 2014

Increase of OOH market share in 3 to 5 years





Business development: Strong M&A execution in place

> 15 acquisitions the last 2 years



Tech & Entertainment verticals



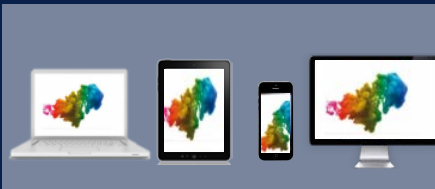
Focus on sales houses and bolt-on publishing acquisitions for marketing verticals

Strong market position in all product segments

STRÖER

Internet

- >37 Mio Unique User & >400 Websites
- Entire technology and product range



„Outernet“

- 230.000 Touchpoints
- > 50% of contact points in the public space



Public Video

Nation-wide moving picture campaign



Inception – Research – Innovation – Combined Deals

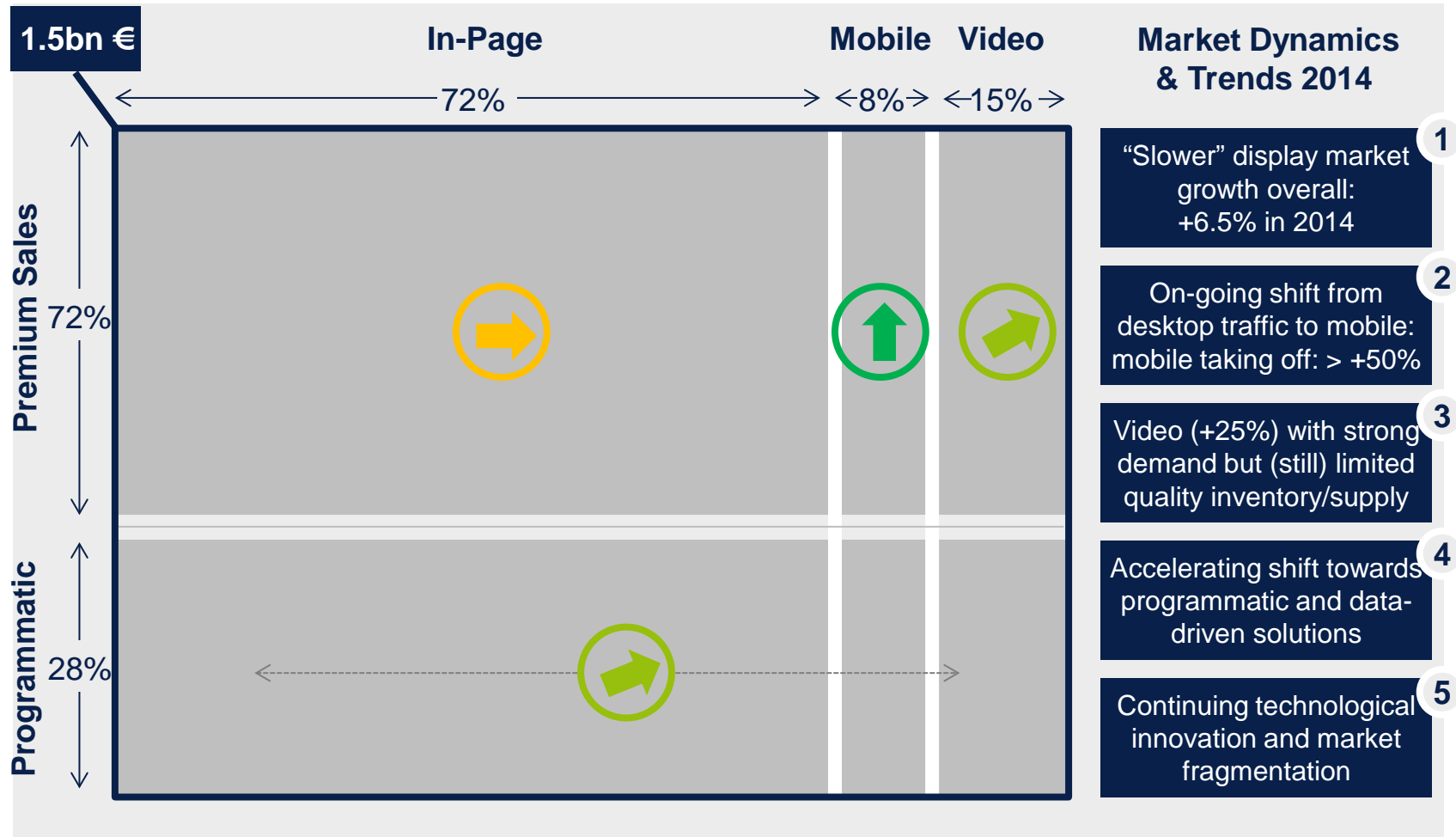
Operational highlights FY 2014



Drivers behind the success in 2014: Deeper dive into online and sales



Current digital display market Germany: Schematic overview and key dynamics & trends



**Beyond AGOF No. 1 position (reach):
Broadest channel portfolio in the market!**



Beyond AGOF No. 1 position (reach): Broad range of top premium sites & publisher!



Mobile and video as key market drivers: Massively growing share within Ströer portfolio!

Revenue Share

2013

2014

2015FC



Mobile

2%

8%

14%



Video

4%

14%

18%

Consolidation effects and strategy

Example Tech & development resources

Assets

ströerinteractive

businessAD

radcarpet

GAN
GAME AD NET

mediasquares

mbrtargeting

adscale

PACEMAKER
ACTIVE ONLINE SALES

mytest

iBILLBOARD
AD PLATFORM

vidyoda

3rd party

Original Setup: 2012/2013

- Tech and software development resources in 11 different entities
- In addition: un-coordinated 3rd party licensing across all companies
- In some areas: parallel use of own tech and 3rd party products
- Double-work within different development teams i.e. for adservering, SSP, DSP and Data Management
- In Total 92 FTEs – but not really leveraged

Integrated Group Tech-Structure end of 2014

Tech Hub 1
Ostrava
Adserver-Solutions
(Display, Video, Mobile)

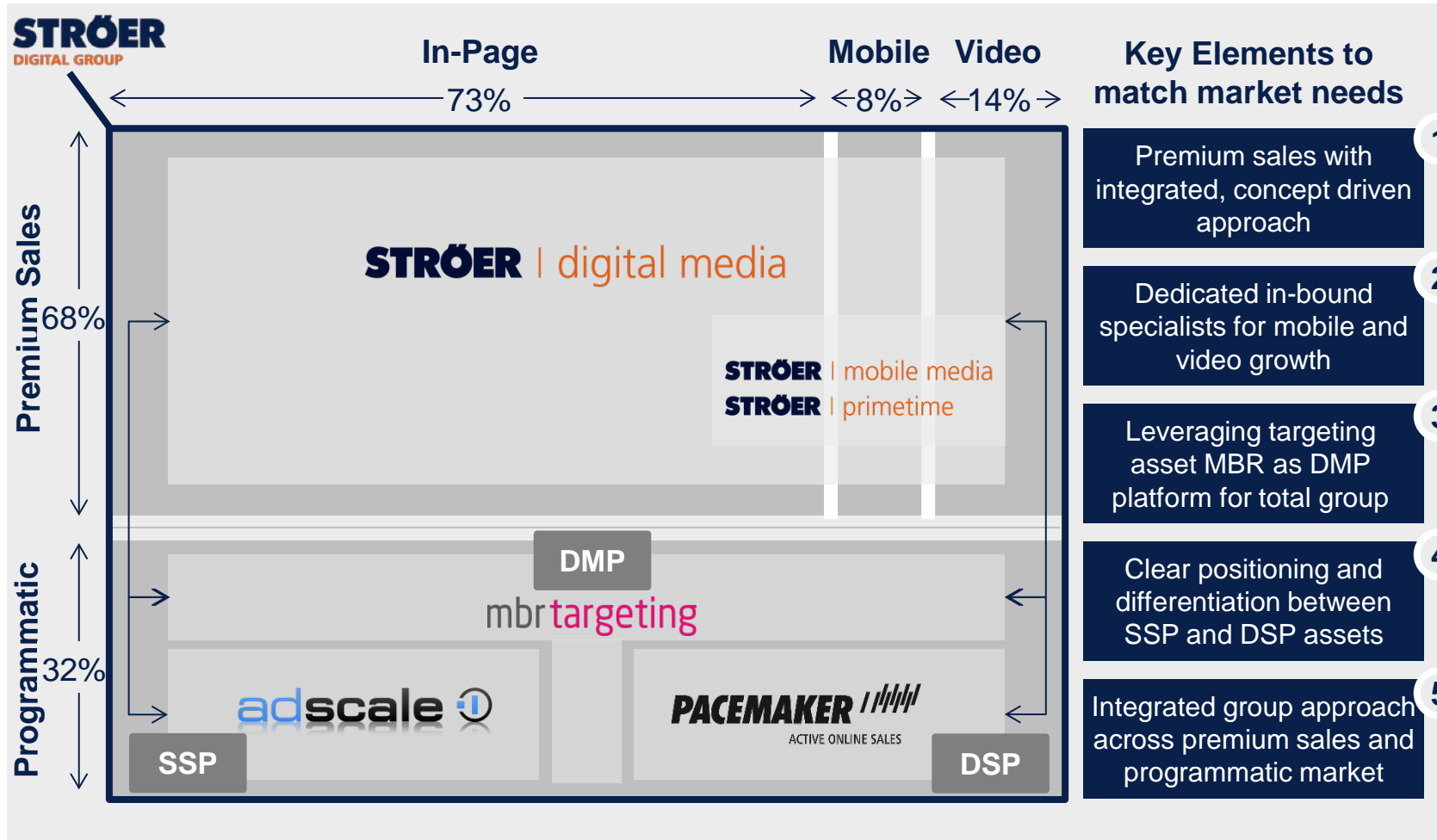
Tech Hub 2
Berlin
Data Management
DSP

Tech Hub 3
Christchurch
Front-end solutions
SSP

- One integrated adservering system across all entities (fully in place from 2016)
- Central Data Management across the whole group

- Three specialized teams: efficiency gains around 30%
- Group-driven development plan incl. group approach to licensing vs. individual development

Ströer Digital Group end of 2014: PMI processes led to an integrated ecosystem!



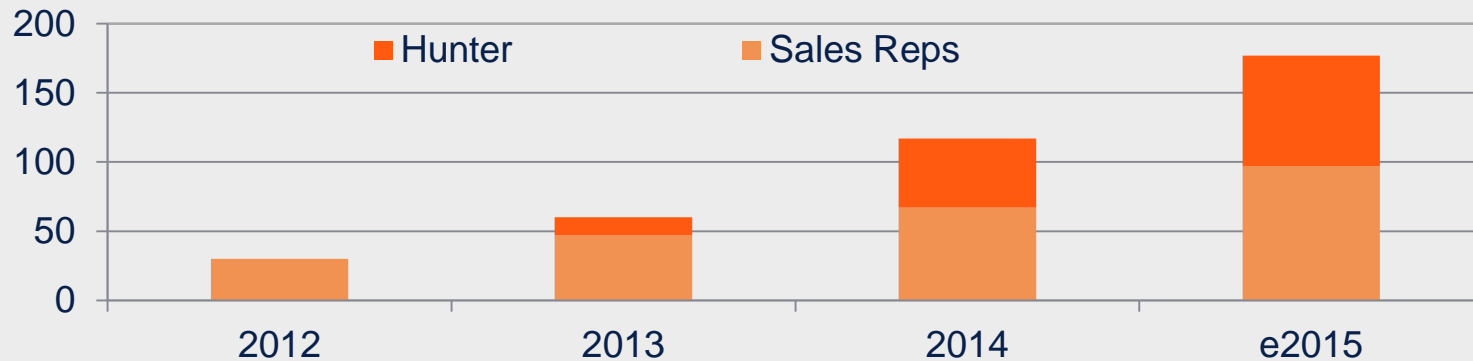
Growing market share for Out of Home: Category leader Ströer driving market development

	Q1	Q2	Q3	Q4	Q1-Q4	
Nielsen GROSS	Total Ad Market (in T€)	6,284	6,919	6,228	8,865	28,296
	Change in % vs. previous year	2.8%	6.5%	2.9%	5.10%	4.5%
	Total OoH market (in T€)	330	403	395	429	1.557
	Change in %	0.8%	6.6%	6.8%	5.3%	5.3%
	OoH share (in %)	5.3%	5.8%	6.3%	4.8%	5.5%

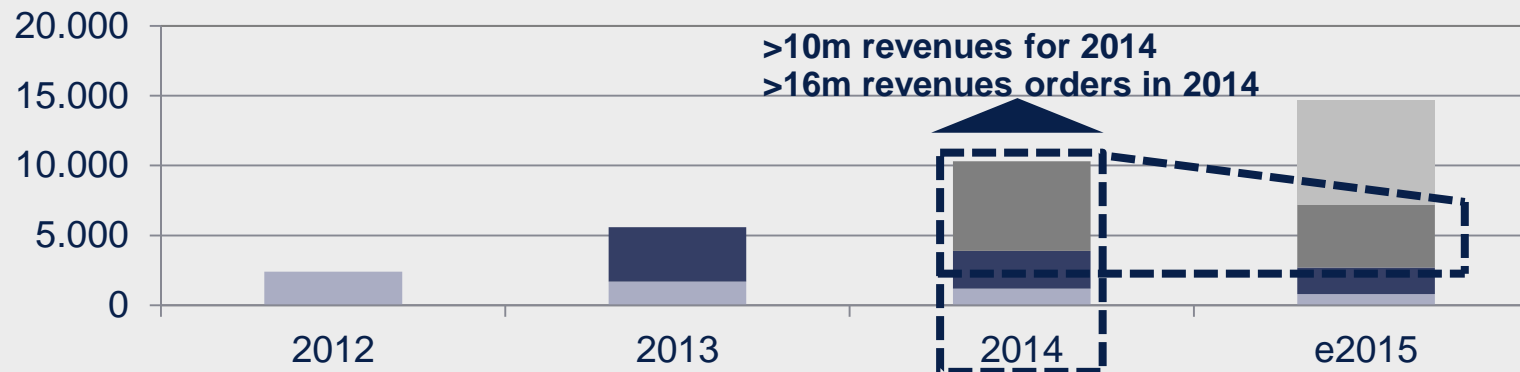
Ströer clearly outperforming both total ad markets & OoH peers

Incremental local sales development: Current performance fully on track

Dedicated new business headcount: Local sales



Revenue development: Currently 70% retention rate yoy through high signage share!



More traction on key advertisers, e.g. GM/Opel: OoH Branding in combination with mobile



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Results:

>4k QR-Code Scans

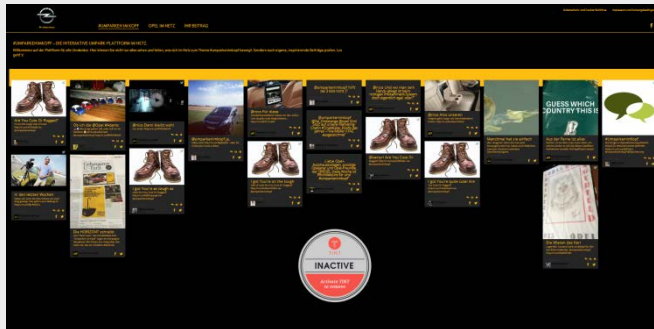



5.800 hashtags

Over 100 Photo-Uploads



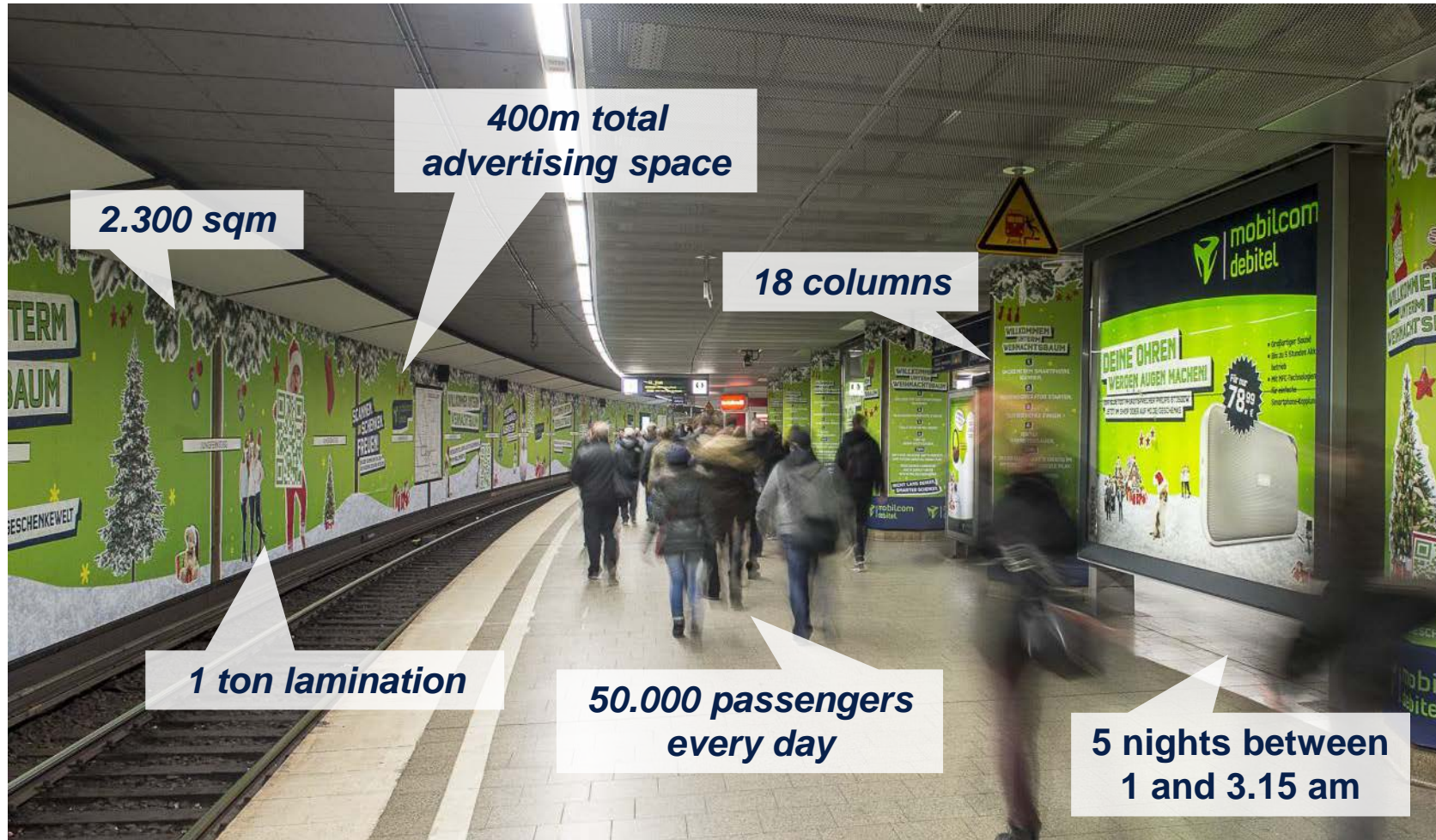
Broad communication over the social web: Social interaction hub



 Mobile ads within facebook newsfeed

 Promoted Trends & Tweets

More traction on key advertisers, e.g. mobilcom: OoH Branding in combination station domination

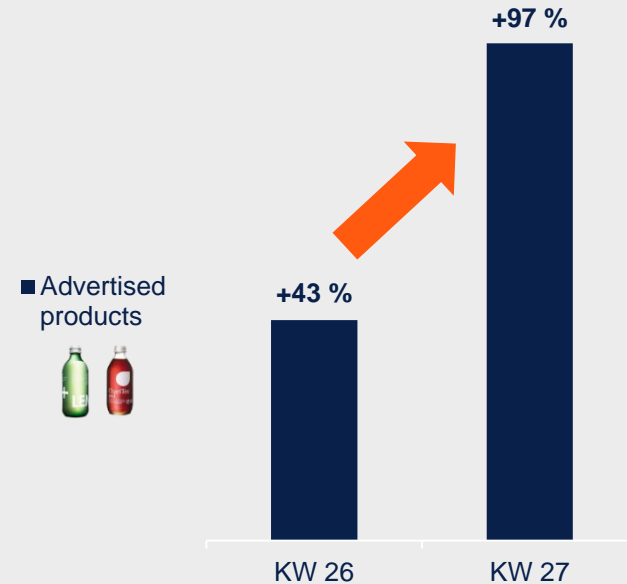


More traction on new clients, e.g. Lemonaid: Public Video incl. reserach (sales-tracking)

Broad Public Video campaign in stations, shopping malls and underground-systems



After 1 weeks sales increased by 43%
After 2 weeks even by 97%



Integrating „outernet“ and internet: Best in class case for EBAY!

Video to be shown during Earnings Presentation

Financials



Ströer Media SE 2014 results

EURm	FY 2014	FY 2013	Δ
Revenues (reported) ⁽¹⁾	721.1	622.0	+16%
Adjustments (IFRS 11)	12.5	12.8	-2%
Cost of Sales	-505.2	-434.2	-16%
SG&A	-179.6	-166.8	-8%
Other operating result	13.6	8.9	+55%
Operational EBITDA	148.1	118.0	+25%
Margin %	20.2	18.6	+160bps
Depreciation	-40.2	-39.1	-3%
Amortisation	-42.4	-37.7	-13%
Exceptional items	-9.9	-5.2	-89%
EBIT (adjusted) ⁽²⁾	98.5	72.0	+37%
Net income (adjusted) ⁽³⁾	56.3	36.3	+55%
Net income	24.0	4.5	>400%

(1) According to IFRS 11

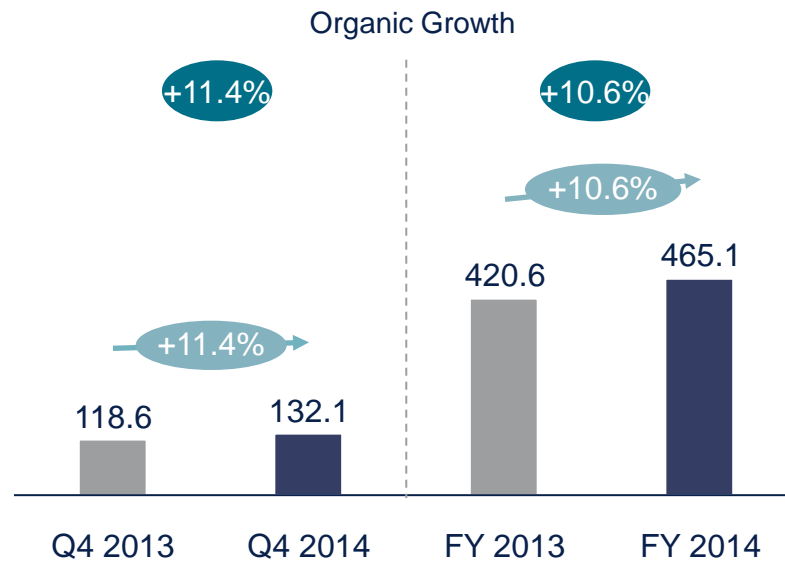
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Performance of Ströer Germany

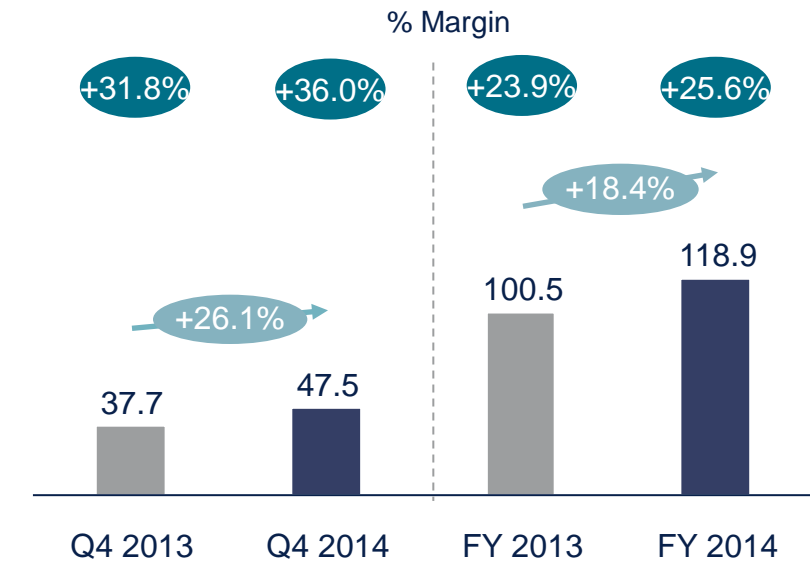
REVENUES

EURm



OPERATIONAL EBITDA

EURm

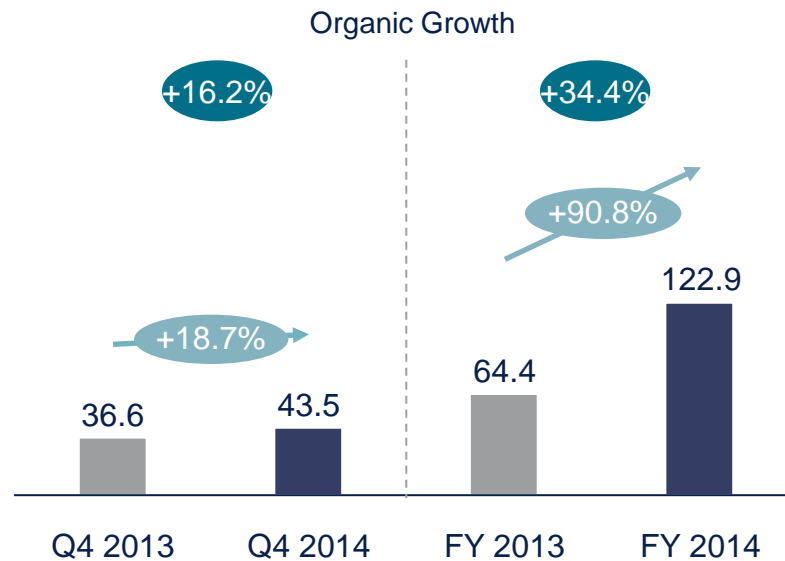


- Organization realignment and numerous sales initiatives
- Revenue growth from all product segments
- Significant EBITDA Margin improvements

Performance of Ströer Digital

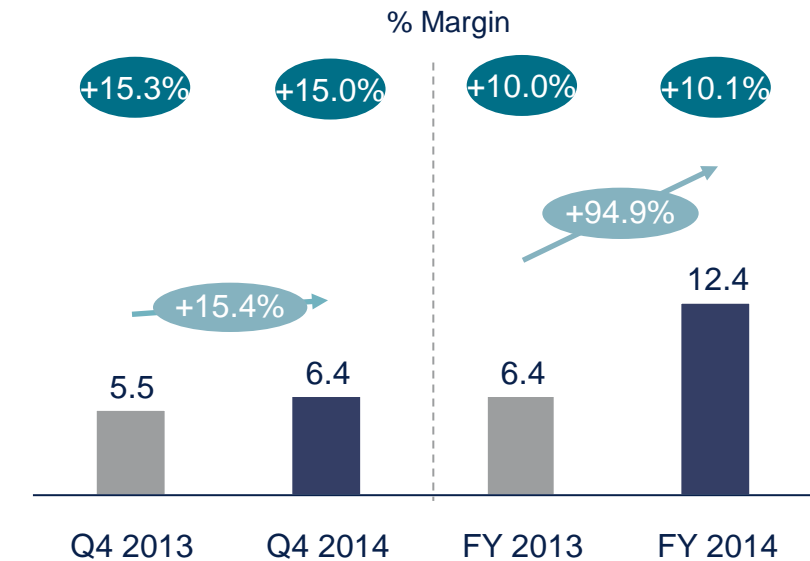
REVENUES

EURm



OPERATIONAL EBITDA

EURm

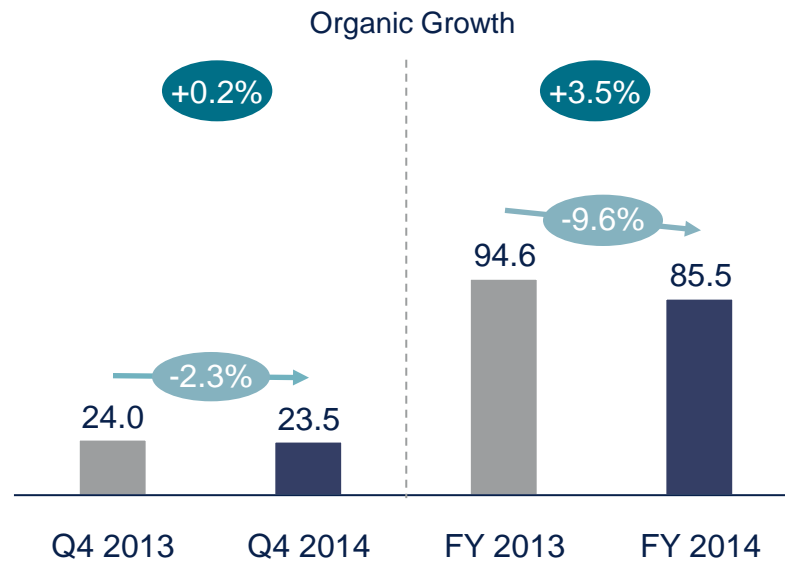


- Revenues doubled to 122.9 EURm
- Organic growth at 34% yoy
- Operational EBITDA almost doubled

Performance of Ströer Turkey

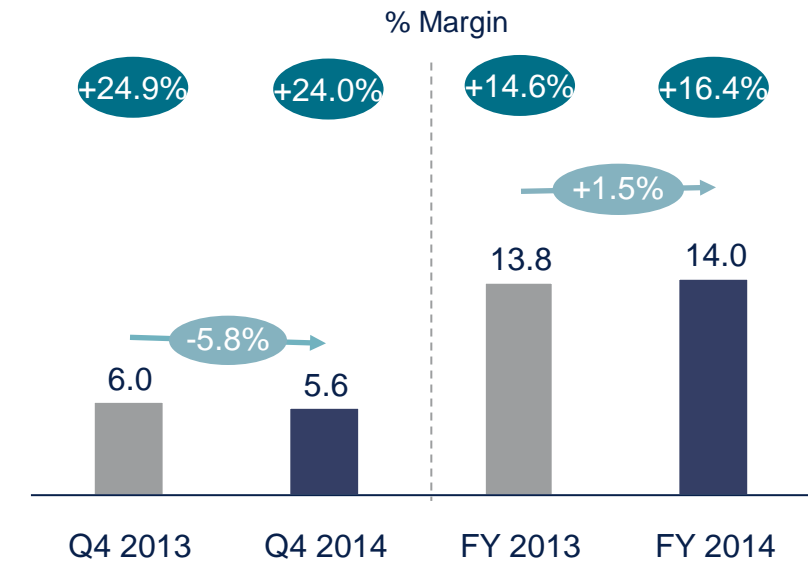
REVENUES

EURm



OPERATIONAL EBITDA

EURm

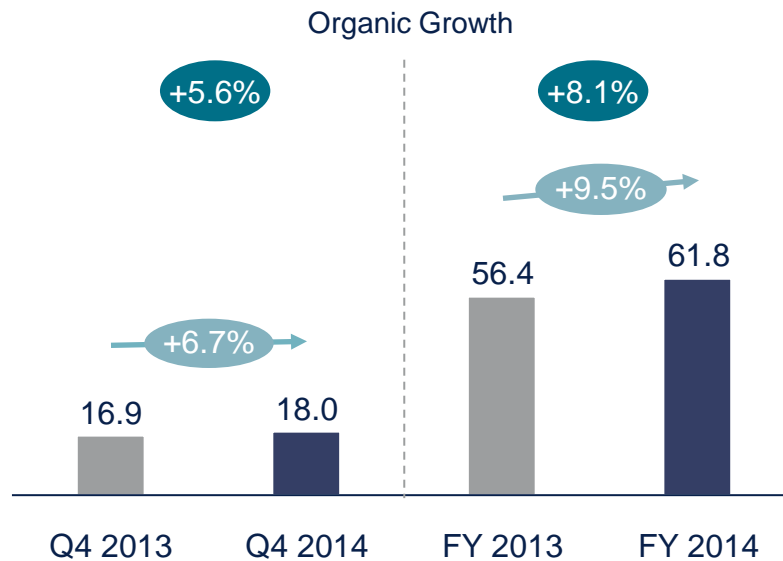


- Slight organic growth based on regional demand despite macro uncertainties
- Currency devaluation effects impaired reported revenue line
- Improved cost base leading to higher operational EBITDA y-o-y

Performance of Ströer Poland and BlowUp

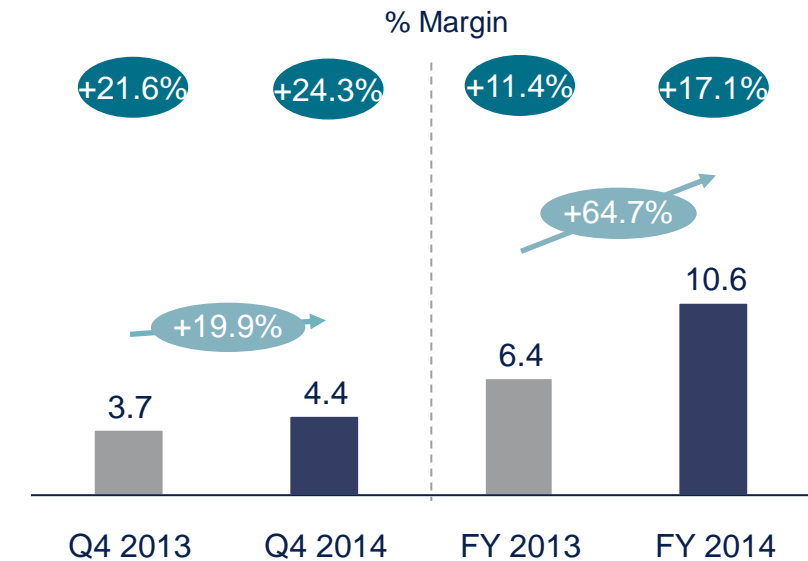
REVENUES

EURm



OPERATIONAL EBITDA

EURm



- In Poland, media markets still soft but overall stabilized vs 2013
- Op. EBITDA of Ströer Poland benefitting from rigorous cost saving program
- BlowUP with strong topline and operational EBITDA performance

Free cash flow: Doubled within one year

Free cash flow (before M&A)	12M 2014	12M 2013	Δ
Op. EBITDA	+148.1	+118.1	+25%
- Interest (paid)	-14.4	-18.0	+20%
- Tax (paid)	-8.4	-17.0	+51%
-/+ Δ WC	+15.0	+1.6	>800%
- Others	-16.7	-10.1	-65%
Operating Cash Flow	+123.4	+74.4	+66%
- Capex	-44.2	-35.1	-26%
Free cash flow (before M&A)	+79.2	+39.3	+102%

- Better underlying performance leading to increase of operational EBITDA
- Continuous improvement of net interest cash out
- Tax in 2014 normalized

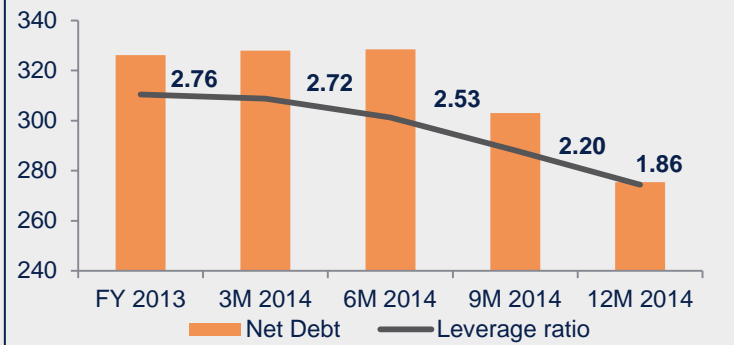
Comfortable financial situation for future growth



Financial situation

- **Strong free cash flow** of 65 EURm
- **Net debt down 51 EURm** to 275 EURm (PY: 326 EURm)
- **Leverage** of 1.9x by year-end

Improving leverage ratio



Future use of free cash flow

- Value enhancing investments and acquisitions in digitalization
- Increase of dividends to 0.40 Euro per share proposed (19.5 EURm payout)

Summary & Outlook



Summary: Ströer's strategy pays off

- ✓ Revenue growth by 15.9% to 721.1 EURm
- ✓ Operational EBITDA expanded by 25.5% to 148.1 EURm
- ✓ Net income (adj.) improved by 55% to 56 EURm
- ✓ Free cash flow improved by 61 EURm to 65 EURm YTD
- ✓ Strong financial position, leverage ratio down to 1.9x EBITDA

For the full year of 2015 we expect a mid single digit organic growth rate and an operational EBITDA between 170 and 180 EURm