



**STRÖER**

## **ODDO BHF DIGITAL FORUM 2021**

**Q3 2020 – Recovering in challenging Context**

January 7<sup>th</sup>, 2021 | Ströer SE & Co. KGaA



# AGENDA



**01**

Strategic Reassurance

**02**

Business Update

**03**

Financial Status

**04**

Outlook

# Results 9M 2020

## Continuing Operations

m€		9M 2020	9M 2019	▲
Revenues	Reported	987.4	1,123.1	-12%
	Organic <sup>(1)</sup>	-11.0%	7.2%	-18.2%pts
EBITDA (adjusted)		310.6	387.2	-20%
EBIT (adjusted)		90.2	175.0	-48%
Net income (adjusted) <sup>(2)</sup>		59.3	128.2	-54%
Operating cash flow		238.2	282.6	-16%
Capex		93.2	78.7	+19%

Note: Disposal of D+S 360° Group classified as discontinued operations

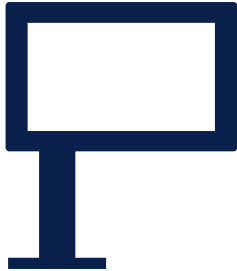
<sup>(1)</sup>Excluding exchange rate effects and effects from (de)consolidation and discontinuation of operations

<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

# Q3 outperforms original Expectations by more than 10 Points

## OoH & Public Video recovering faster than expected | Non-OoH fully back on Track

### OoH Media



### Digital OoH & Content



### Direct Media



IX vs. PY	Trend mid of August	Results
Q3	~ 65-70	76

- Germany slightly stronger than Poland and non-German blowUp business
- Constant month-over-month improvement with continuing trend in October (~ IX 95)
- Local sales back at pre-COVID level; national and regional campaigns still catching up

IX vs. PY	Trend mid of August	Results
Q3	~ 85-95	103

- Public Video with -15% with stronger recovery than OoH; Programmatic already at IX 100
- Portals (i.e. T-Online) and AdSales (3<sup>rd</sup> Party inventory) with strong 7% organic growth
- Statista with more than 30% growth almost stronger than pre-COVID-performance

IX vs. PY	Trend mid of August	Results
Q3	~ 105	120

- Dialog business (contact centers) overall with strong 10% organic growth
- Door-to-Door business even with catch-up effects from Q2 beyond 20% growth
- Asam sustainably outperforming pre-COVID-growth at +25%



# Six Key Learnings from meanwhile 8 Months of Pandemic

Extremely robust Setup for Crisis | Long-term strategic Drivers fully intact

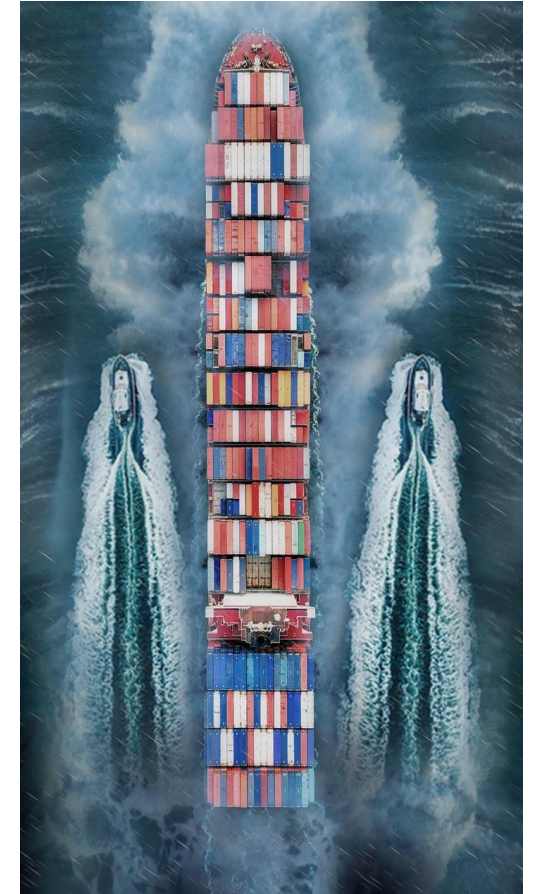
## Q3



## Key Messages for Q3

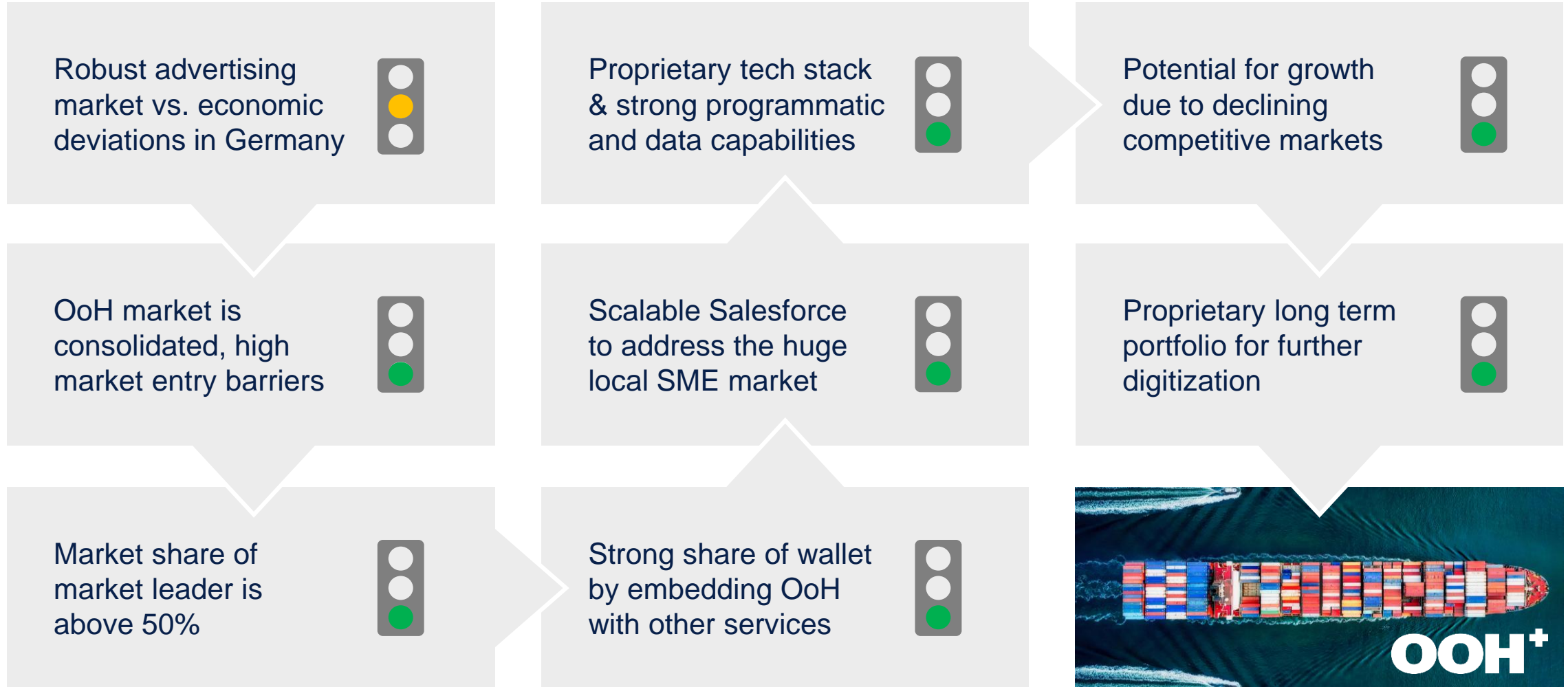
1. Focus on a very robust country allows an extremely fast response to the crisis and i.e. a tight management of the semi-flexible cost structure
2. Non-OoH-Businesses (“PLUS”) stable through the crisis and quickly at or above pre-COVID-level
3. Out-of-Home rebounding quickly in a V-shape as soon as the audience recovers after the lockdown; Digital Out of Home with faster recovery (although it is more exposed to transport)
4. Overall advertising market with a stronger shift towards digital, technology/programmatic and data
5. Leading market position helps to gain market share in rebound phase to accelerate further consolidation
6. A diversified client portfolio (from local to national and across all industries) helps both in the crisis as well in the recovery phase

## Forecast



# Globally unique OoH+ Strategy with One-Market-Focus

## COVID-19 a Bump in the Road for our Long-Term Targets





# AGENDA

**01**

**Strategic Reassurance**

**02**

**Business Update**

**03**

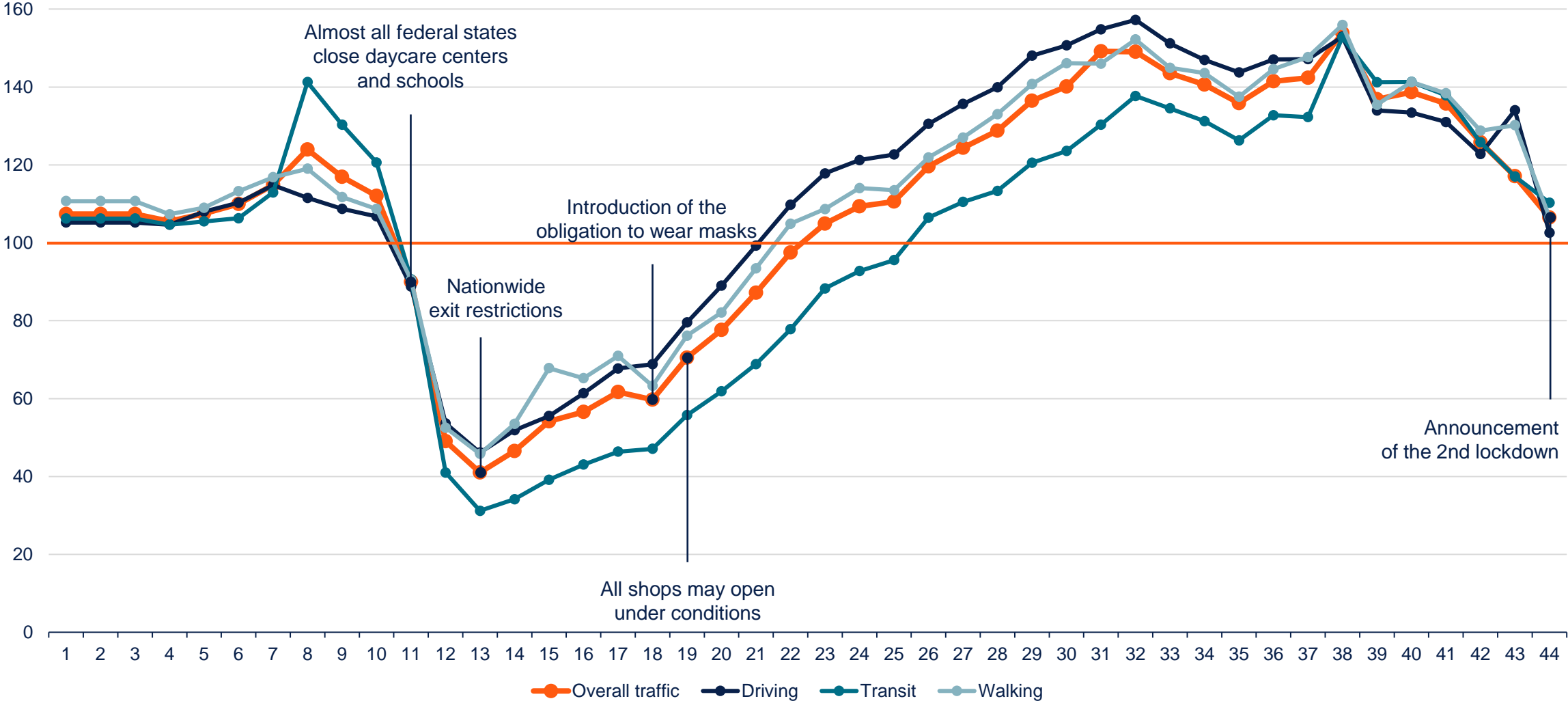
**Financial Status**

**04**

**Outlook**

# German Mobility in Times of Crisis (1)

## V-Shape Recovery of Audience after 1<sup>st</sup> Wave; currently still robust Traffic

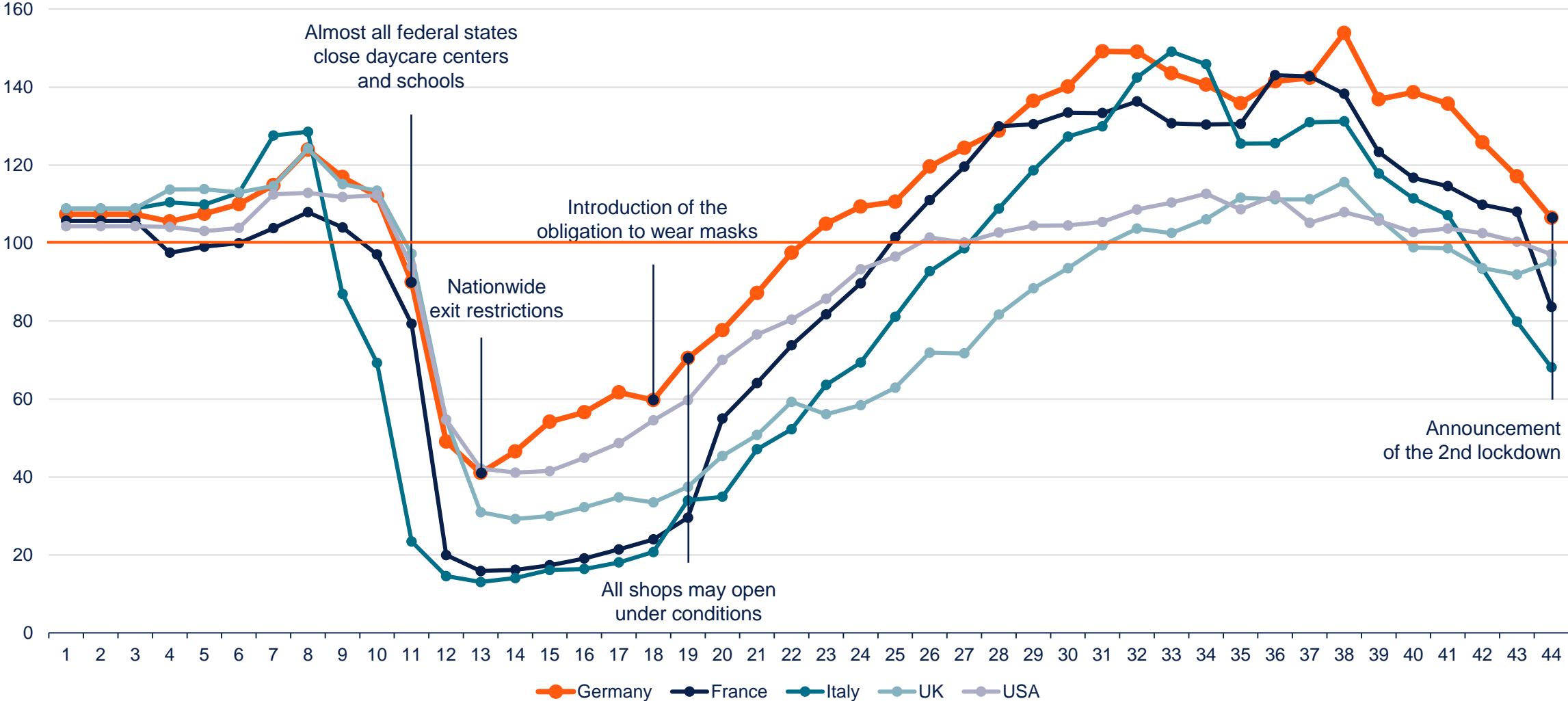


Source: Apple data (<https://www.apple.com/covid19/mobility>); Mobility Index (January 13 = Index 100)



# German Mobility in Times of Crisis (2)

## Generally at a higher Level than in almost all other Countries

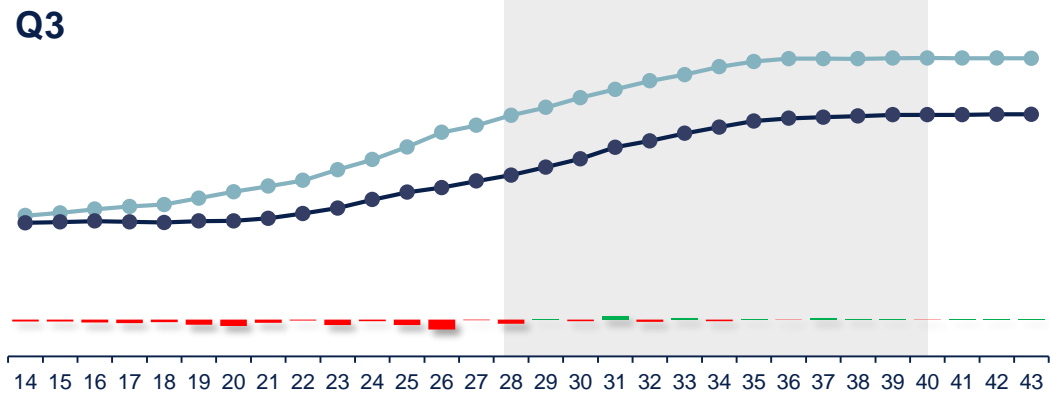
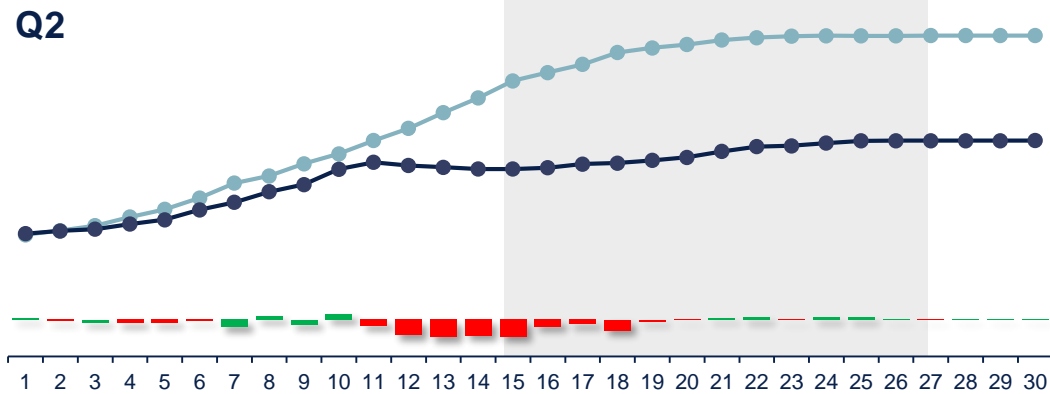


Source: Apple data (<https://www.apple.com/covid19/mobility>); Mobility Index (January 13 = Index 100)

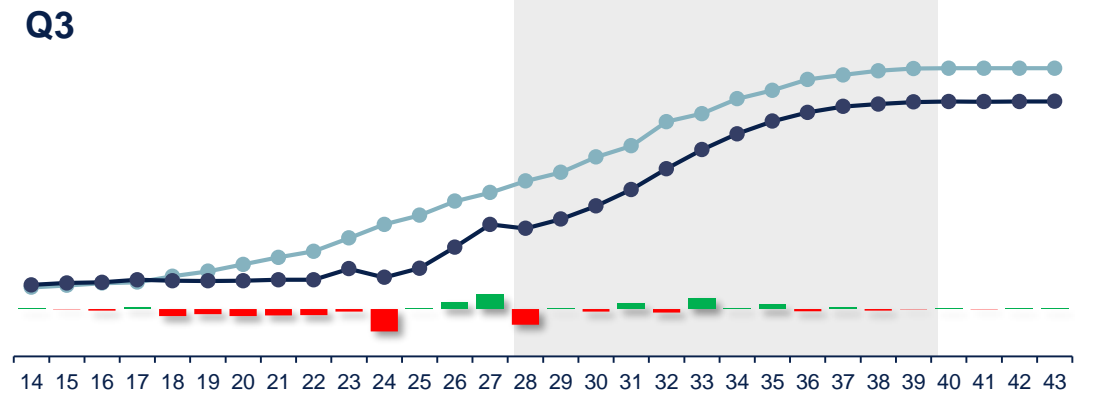
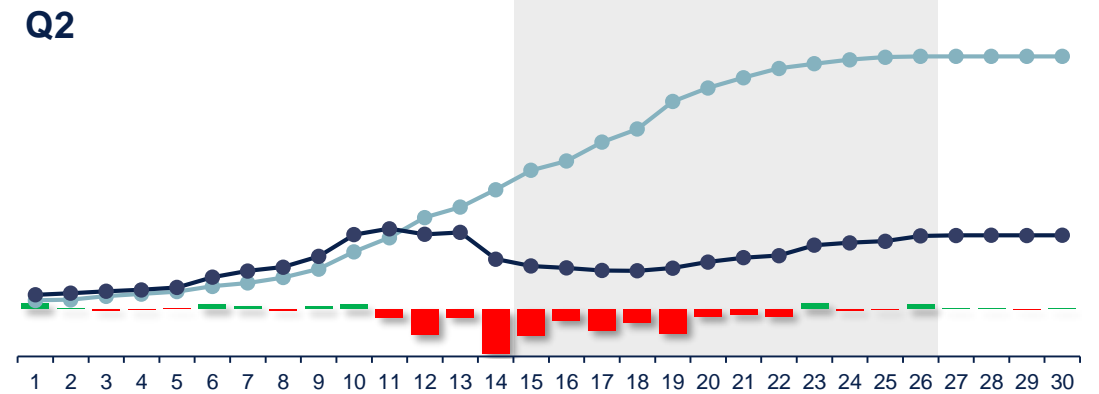
# Weekly Orderbook Development – Q2 & Q3 2019 vs. 2020

## Peak of Crisis Week 11-24 | Normalized Order Intake since then

Classic OoH formats: Revenue inflow



Public Video: Revenue inflow



Weekly Order Intake Deviation vs. PY 2019 2020

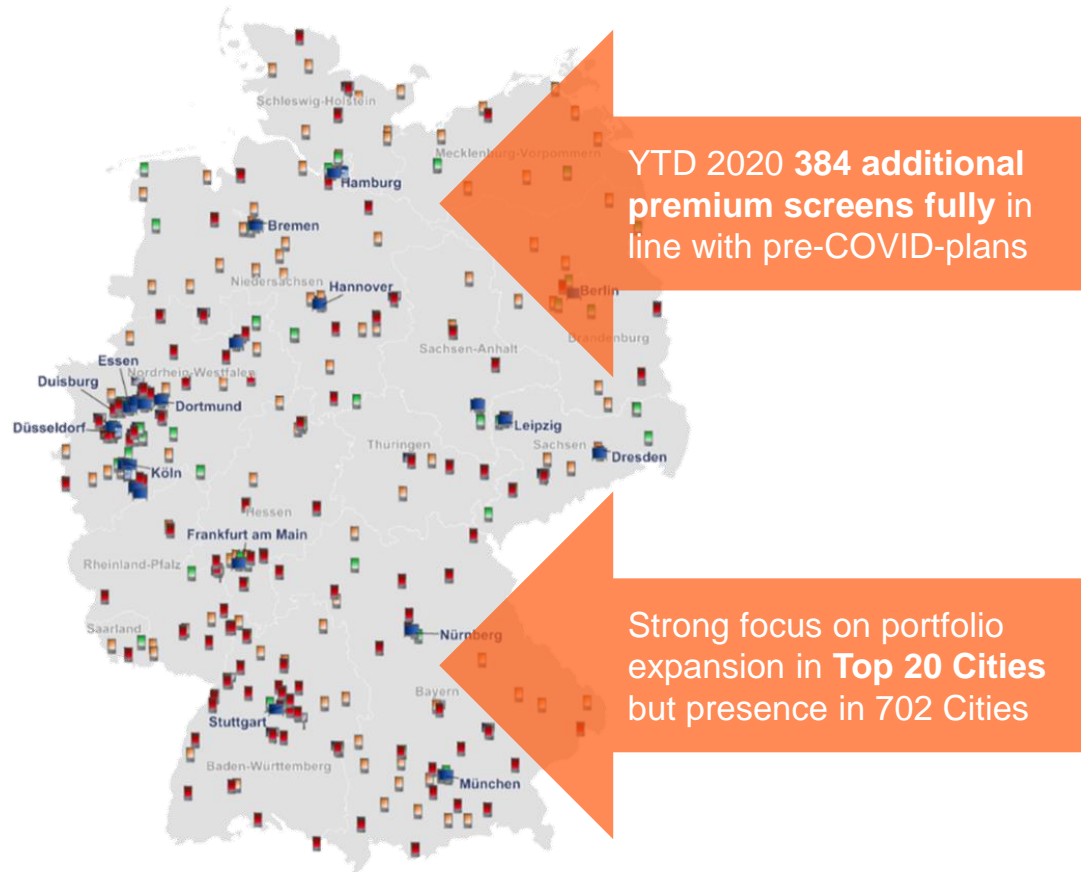
Source: Ströer data / Germany; Orderbook inflow for Q2 from week 1 to week 26; y-axis not at scale.



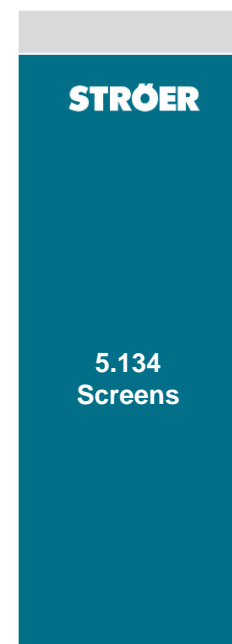
# Ströer with unparalleled Setup in the Growth Industry DOoH

## Market Leader Position extended throughout the Crisis Development so far

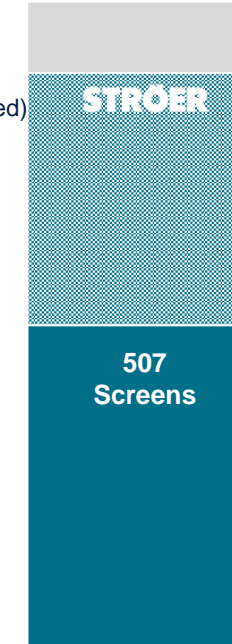
End of Q3 in total 79,921 screens reaching >85% of total population



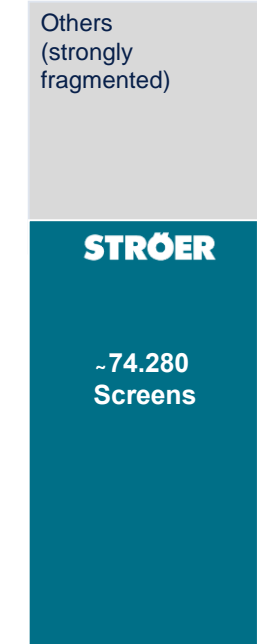
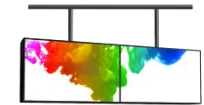
Public Video Network



Roadside Screens



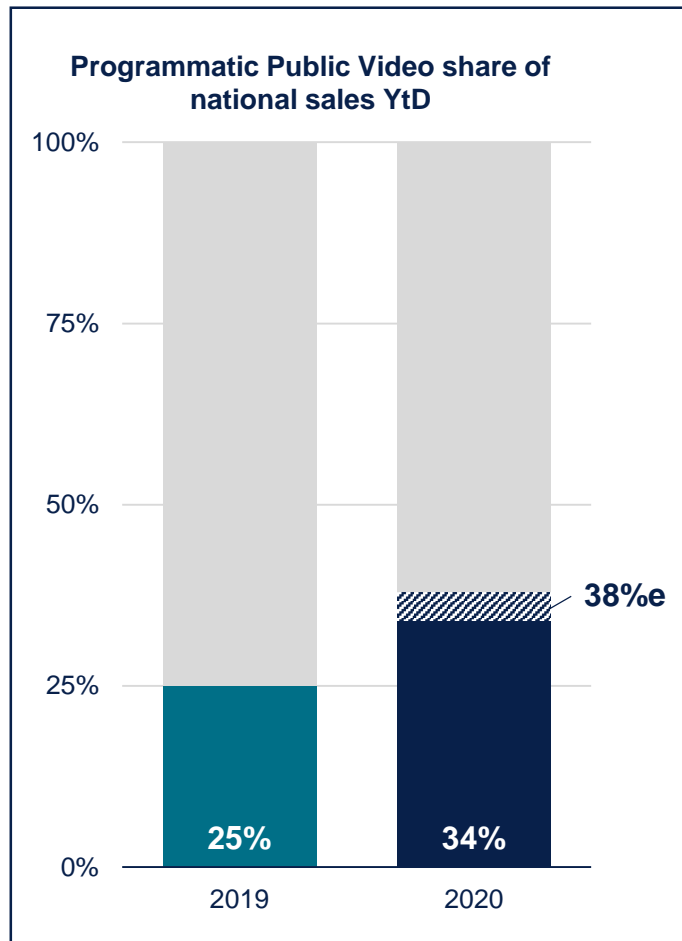
POS/Digital Signage



# Further Shift towards Programmatic DOoH throughout the Crisis

## Trading Automation and Data Key Driver across all Digital Media

### Performance



### Strategy

- Programmatic Public Video has been firmly established for over 2 years and is being **continuously expanded**
- The development of **flexible delivery via ad server** as the basis of Programmatic PV leads to rapid growth (strong double-digit growth in the last 2 years)
- All major DSPs besides Google DBM are now **fully connected**
- **Permanent improve** of product flexibility, quality and versatility

**>52%**

Share of programmatically purchased volumes via DSP within the Audience segment, 2020 YtD for Public Video & Online combined

### Effect

#### Public Video

- > 130 programmatically booking customers
- > 6.3 billion impressions delivered
- > 275 million playouts delivered

#### Classical Online Media

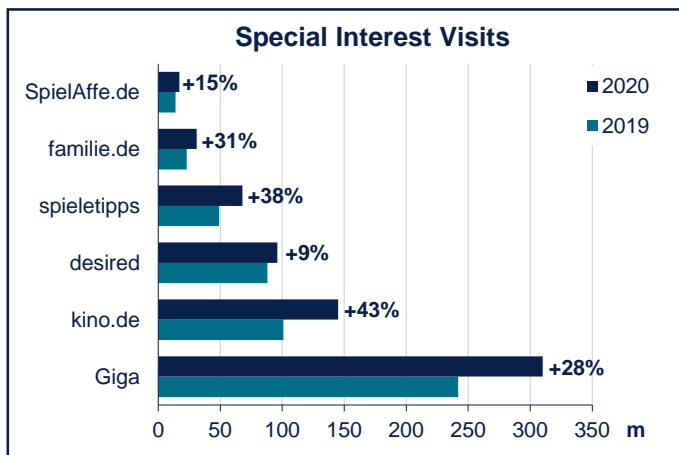
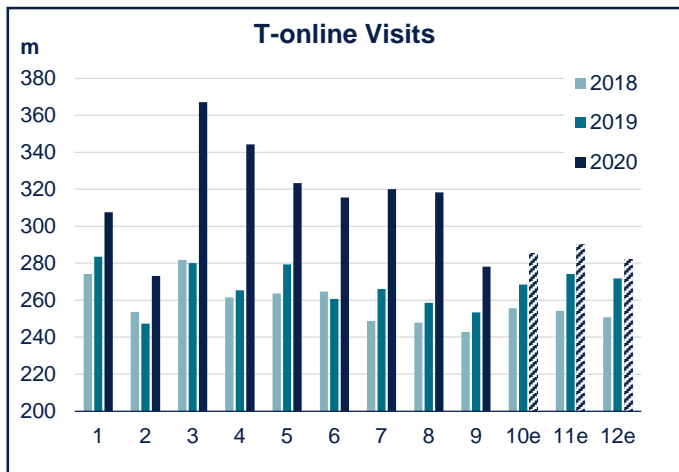
- > 18% YOY Growth of Programmatic Revenues (> 150m€ in 2020)
- > 87% YOY Growth in Privat Market Place Revenues @ Ströer Core (appx 23m€)
- > 4,500 individually negotiated active deals (largest PMP in Germany)



# Content & Online Media with strong Development & Data Products

## Successful Management of COVID-19 and post-Cookie Challenges

### Audience performance



### New contextual targeting product via Otto Joint Venture

- Additional website content crawled and classified via NLP into 600 IAB Standard Categories
- Contextual lever adding additional reach of current audience targeting clusters
- Constant improvement: Sentiment Targeting and Brand Suitability to come
- In addition to cookie-based product currently best positioned

```

systemType': 'live',
contentProvider': 't-online.de, Benjamin Zurmühl',
contentAuthor': 'unknown',
contentKeywords': 'Sport,Fussball,DFB-Pokal',
contentFormat': 'unknown',
contentKommentartoolIncluded': 'Kommentare AUS',
contentFotoshowIncluded': 'ohne Fotoshow',
contentWeblines': '0',
deviceClass': 'desktop',
    
```

**1st**

**2nd**

IAB16-7	Veterinary Medicine
<b>IAB17</b>	<b>Sports</b>
IAB17-1	Auto Racing
IAB17-2	Baseball

**Pokalduelle zwischen Eintracht Frankfurt und dem FC Bayern sind in den letzten Jahren stets besonders gewesen. 2018 kam es zu einem besonderen Finale zwischen den beiden Teams. In diesem Jahr treffen sie früher aufeinander.**

Der FC Bayern München hat im Halbfinale des DFB-Pokal ein Heimspiel. Der Rekordsieger empfängt Eintracht Frankfurt. Im anderen Duell hat der 1. FC Saarbrücken aus der Regionalliga Bayer 04 Leverkusen zu Gast. Das ergab die Auslosung am Sonntag durch Losfee Almuth Schult.

**Frankfurt denkt an 2018, Bayern an 2006**

Das Duell FC Bayern gegen Eintracht Frankfurt ruft bei den Fanlagern beider Teams eine besondere Erinnerung hoch. Im Pokalfinale 2018 trafen die Mannschaft aufeinander. Das Spiel ging in einer dramatischen Schlussphase mit 3:1 an Eintracht Frankfurt. Die Anhänger des FC Bayern denken daher lieber an das Endspiel 2006, indem der Rekordpokalsieger mit 1:0 triumphierte.

# Dialog Services broadening Customer Base & Product Offering

## Increasing Demand allows smarter Yielding of Capacities

### Exemplary initiative

#### Lead generation

- Generation of qualified leads through Media partners (e.g. ProSiebenSat.1)
- 6-digit number of leads p.a. generated via TV formats such as taff, Galileo, Schlag den Star, Fame Maker
- Fully GDPR compliant at competitive price point
- Enrichment of integrated direct media offering – from lead to acquisition
- Clear differentiator in the market
- Further growth via additional partners planned (content portals, additional TV channels)

### Effect

**BIONTECH**

#### Pharma/Biotech

Global leader in COVID-19 vaccine research

**ABOUT YOU<sup>®</sup>**

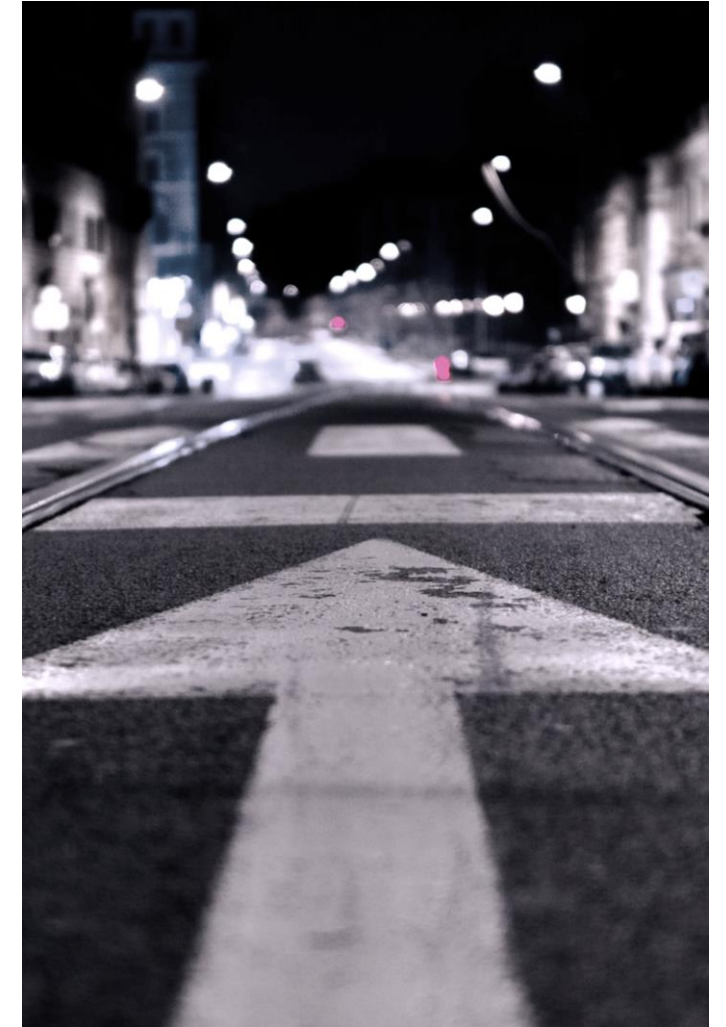
#### Ecommerce

One of the fastest growing fashion retailers in Europe



#### Automotive

Global leader cars and mobility





# AGENDA

**01**

**Strategic Reassurance**

**02**

**Business Update**

**03**

**Financial Status**

**04**

**Outlook**

# Profit and Loss Statement Q3 2020

## Continuing Operations

m€	Q3 2020	Q3 2019	▲ %
<b>Revenues</b>	<b>355.0</b>	<b>379.5</b>	<b>-6%</b>
<b>EBITDA (adjusted)</b>	<b>125.1</b>	<b>131.4</b>	<b>-5%</b>
Exceptional items	-5.2	-10.2	+49%
<b>EBITDA</b>	<b>119.9</b>	<b>121.2</b>	<b>-1%</b>
Depreciation & Amortization*	-87.9	-90.4	+3%
<b>EBIT</b>	<b>32.0</b>	<b>30.8</b>	<b>+4%</b>
Financial result*	-6.7	-8.3	+19%
Tax result	-3.5	-2.6	-35%
<b>Net Income</b>	<b>21.8</b>	<b>20.0</b>	<b>+9%</b>
Adjustments**	15.4	22.3	-31%
<b>Net Income (adjusted)</b>	<b>37.2</b>	<b>42.2</b>	<b>-12%</b>

Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

\*Thereof attributable to IFRS 16 in D&A 42.4m€ (PY: 45.8m€) and in financial result 3.6m€ (PY: 5.5m€)

\*\*Adjusted for exceptional items (+5.2m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +13.6m€), in financial result (+0.1m€) and in income taxes (-3.5m€)



# Free Cash Flow Perspective Q3 2020

## Continuing Operations

m€	Q3 2020	Q3 2019
<b>EBITDA (adjusted)</b>	<b>125.1</b>	<b>131.4</b>
- Exceptional items	-5.2	-10.2
<b>EBITDA</b>	<b>119.9</b>	<b>121.2</b>
- Interest	-5.8	-6.5
- Tax	-3.8	-8.3
-/+ WC	-29.4	-4.3
- Others	+4.1	+4.5
<b>Operating Cash Flow</b>	<b>85.0</b>	<b>106.5</b>
<b>Investments (before M&amp;A)</b>	<b>-29.5</b>	<b>-31.9</b>
<b>Free Cash Flow (before M&amp;A)</b>	<b>55.5</b>	<b>74.6</b>
Lease liability repayments (IFRS 16)**	-41.1	-31.9
<b>Free Cash Flow (adjusted)***</b>	<b>14.4</b>	<b>42.7</b>

Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

\*Net debt and adj. EBITDA of last 12 month adjusted for IFRS 16; \*\*Part of cash flow from financing activities

\*\*\*Before M&A and incl. IFRS 16 lease liability repayments

### Comment

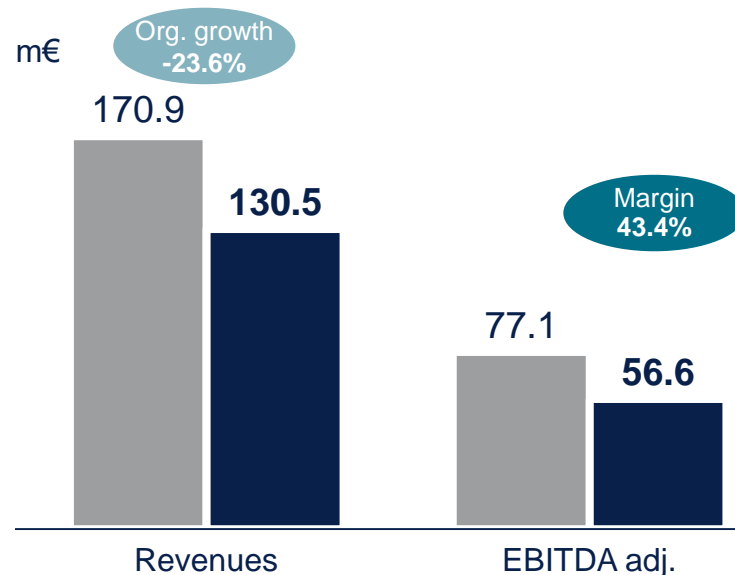
- Solid cashflow performance in Q3 in a challenging market environment
- Earnings on previous year's level
- Working capital development in Q3 2020 reflects substantial business increase from Q2 to Q3 with an increase of receivables (reversal of Q2)
- Sustainable high investments in digitalization, software and other intangibles
- Bank leverage ratio\* at 1.9 and is well below target level of 2.5:



# Segment Perspective Q3 2020 – Robust Financials in Times of Crisis

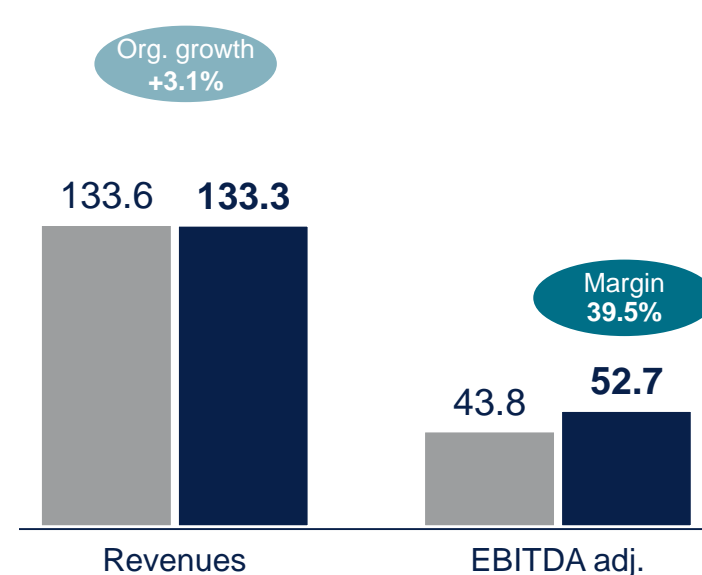
## Continuing Operations

### OoH Media



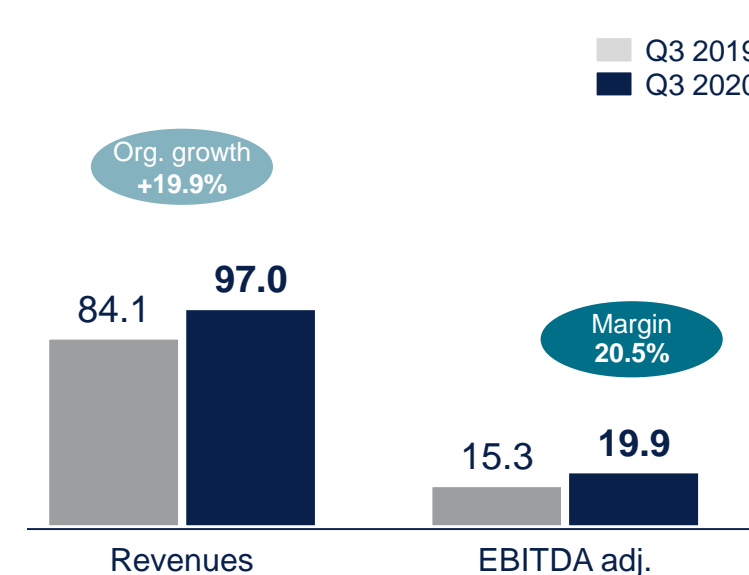
- Still high negative Corona impact, but positive recovery trend after lockdown
- Nearly stable EBITDA margin from tight cost management
- Digital screen build-up mostly on track, business prepared for quick reboot

### Digital OoH & Content



- Digital OoH recovering quickly, but still below PY
- Positive growth momentum in online advertising and content publishing
- Statista fully back on growth path

### Direct Media



- Fast recovery of D2D business after temporary stop of activities in Q2
- Call Center business with continued growth
- Asam with double digit growth



# AGENDA

**01**

**Strategic Reassurance**

**02**

**Business Update**

**03**

**Financial Status**

**04**

**Outlook**



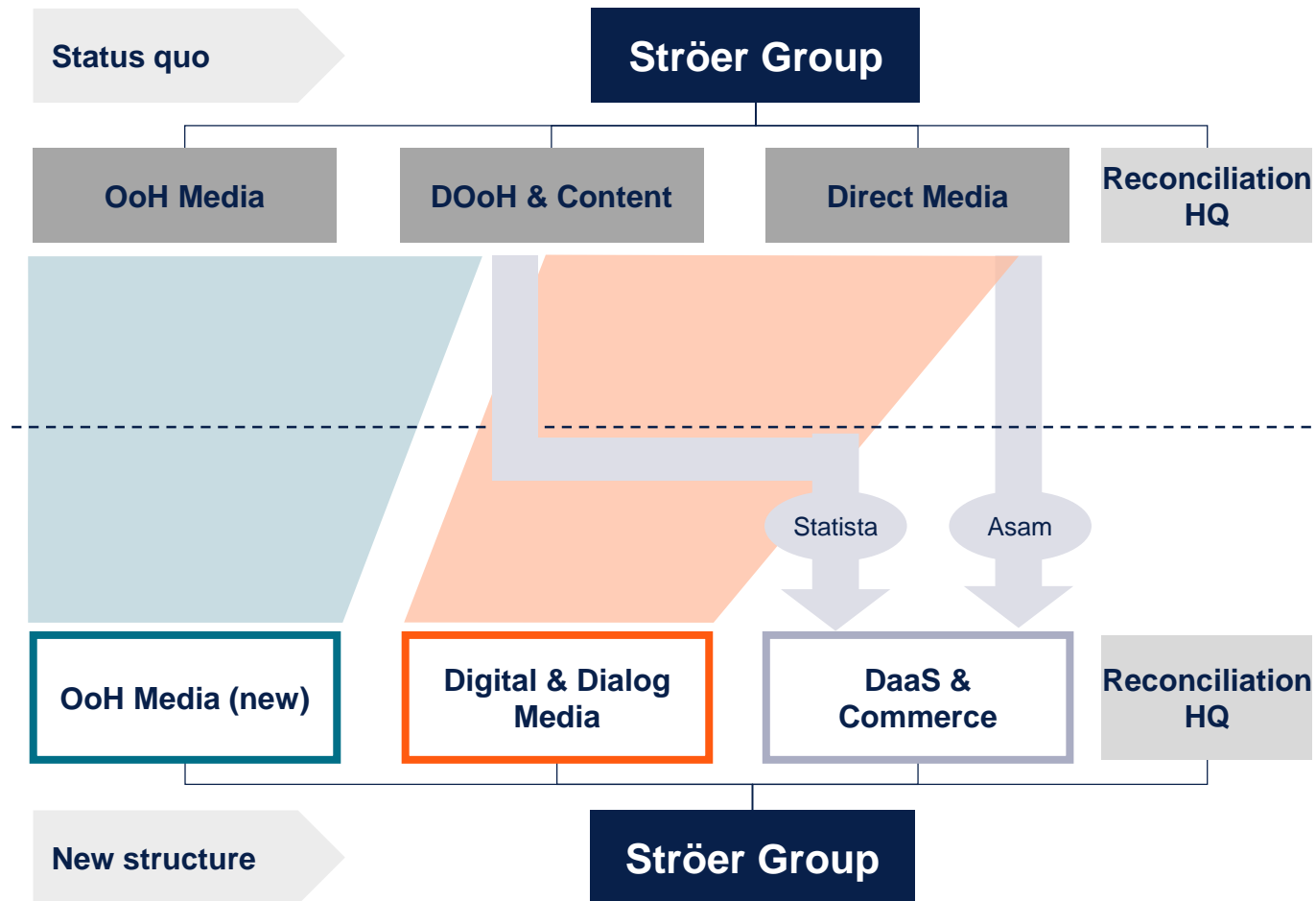
# Ströer Group's Key Performance Indicators – Outlook Q4/2020

Based on our orderbook visibility (end of October) and in the light of a still unclear 2<sup>nd</sup> COVID-19 wave, we expect further stabilization and recovery of our business and revenues in the range of IX 92 to 97 versus previous year for the fourth quarter 2020 and the Group adjusted EBITDA for the full year in the range of 440 to 455m€.



# Potential new Segmentation

## New Segmentation



## Comment

- New structure to reflect business dynamics of the past two years
- Traditional OoH activities and Public Video in one segment
- „PLUS“ activities bundled in one segment
- Non-advertising activities form new segment DaaS & Commerce



# Financial Calendar 2021

## Q4 2020

November 4<sup>th</sup>  
Annual General Meeting  
(virtual)

November 12<sup>th</sup>  
Publication of  
Q3 Quarterly Statement

## Q1 2021

March 3<sup>rd</sup>  
Publication of Preliminary  
Figures 2020  
Guidance Update  
Update on Review  
of Segment Structure

March 30<sup>th</sup>  
Annual Financial Report

## Q2 2021

May 11<sup>th</sup>  
Publication of  
Q1 Quarterly Statement

## Q3 2021

August 17<sup>th</sup>  
Publication of Half-Yearly  
Financial Report

## Q4 2021

November 10<sup>th</sup>  
Publication of  
Q3 Quarterly Statement





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



# Disclaimer

This presentation contains “forward looking statements” regarding Ströer SE & Co. KGaA (“Ströer”) or the Ströer Group, including opinions, estimates and projections regarding Ströer’s or the Ströer Group’s financial position, business strategy, plans and objectives of management and future operations.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Ströer or the Ströer Group to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

These forward looking statements speak only as of the date of this presentation release and are based on numerous assumptions which may or may not prove to be correct. No representation or warranty, express or implied, is made by Ströer with respect to the fairness, completeness, correctness, reasonableness or accuracy of any information and opinions contained herein.

The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning Ströer or the Ströer Group. Ströer undertakes no obligation to publicly update or revise any forward looking statements or other information stated herein, whether as a result of new information, future events or otherwise.



# Appendix

# Profit and Loss Statement 9M 2020

## Continuing Operations

m€	9M 2020	9M 2019	▲ %
<b>Revenues</b>	<b>987.4</b>	<b>1,123.1</b>	<b>-12%</b>
<b>EBITDA (adjusted)</b>	<b>310.6</b>	<b>387.2</b>	<b>-20%</b>
Exceptional items	-17.5	-23.7	+26%
<b>EBITDA</b>	<b>293.1</b>	<b>363.5</b>	<b>-19%</b>
Depreciation & Amortization*	-267.0	-263.8	-1%
<b>EBIT</b>	<b>26.1</b>	<b>99.7</b>	<b>-74%</b>
Financial result*	-21.6	-22.8	+5%
Tax result	-0.9	-11.4	+92%
<b>Net Income</b>	<b>3.6</b>	<b>65.5</b>	<b>-94%</b>
Adjustments**	55.6	62.7	-11%
<b>Net Income (adjusted)</b>	<b>59.3</b>	<b>128.2</b>	<b>-54%</b>

Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

\*Thereof attributable to IFRS 16 in D&A 133.1m€ (PY: 131.4m€) and in financial result 11.1m€ (PY: 15.9m€)

\*\*Adjusted for exceptional items (+17.5m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +46.7m€), in financial result (+1.7m€) and in income taxes (-10.3m€)

# Free Cash Flow Perspective 9M 2020

## Continuing Operations

m€	9M 2020	9M 2019
<b>EBITDA (adjusted)</b>	<b>310.6</b>	<b>387.2</b>
- Exceptional items	-17.5	-23.7
<b>EBITDA</b>	<b>293.1</b>	<b>363.5</b>
- Interest	-17.1	-20.0
- Tax	-15.1	-32.0
-/+ WC	-28.0	-25.0
- Others	+5.3	-3.9
<b>Operating Cash Flow</b>	<b>238.2</b>	<b>282.6</b>
<b>Investments (before M&amp;A)</b>	<b>-93.2</b>	<b>-78.7</b>
<b>Free Cash Flow (before M&amp;A)</b>	<b>144.9</b>	<b>203.9</b>
Lease liability repayments (IFRS 16)*	-116.5	-118.8
<b>Free Cash Flow (adjusted)**</b>	<b>28.4</b>	<b>85.1</b>

Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

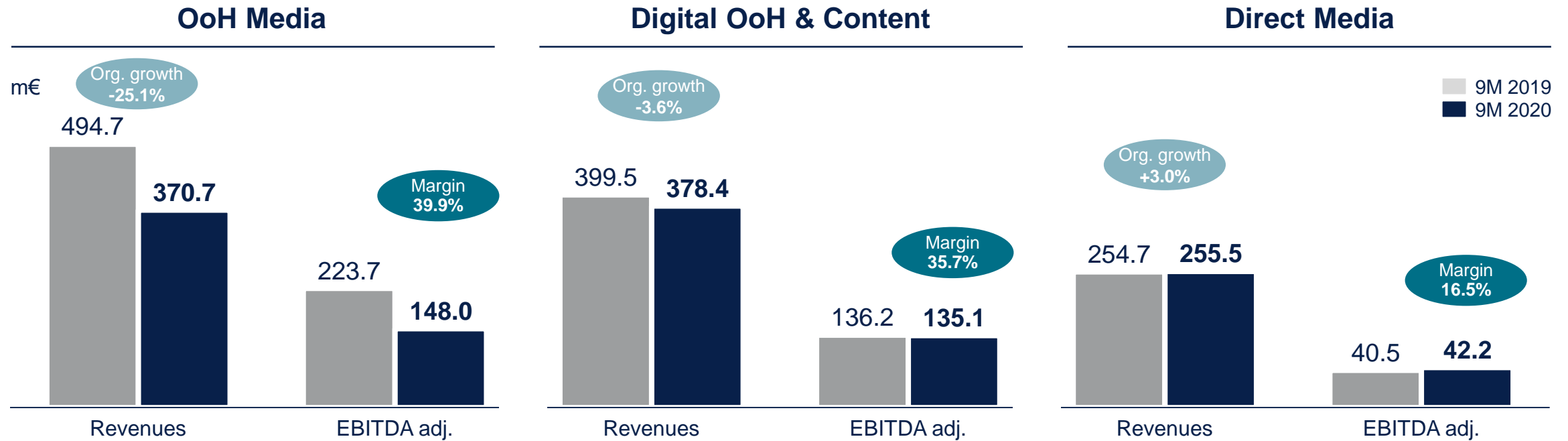
\*Part of cash flow from financing activities

\*\*Before M&A and incl. IFRS 16 lease liability repayments



# Segment Perspective 9M 2020

## Continuing Operations



Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations