

**STRÖER**

# Company Presentation

April 2018 | Ströer SE & Co. KGaA



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# Ströer At a Glance 2018

## Multichannel Media Sales House

Ströer Group\*: Revenues ~ 1.6 bn€ | Op. EBITDA ~ 375 m€ | Op. EBITDA margin ~ 23-25%

### Out-of-Home Media

- #1 OoH in Germany
- #1 European giant poster network
- >50% market share Germany
- High barriers to entry

Revenues: ~ 700 to 750 m€\*

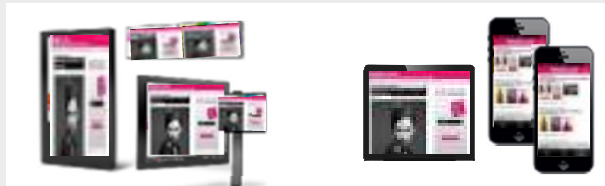


Large formats, Street furniture and Transport

### Content Media

- #1 in AGOF ranking
- Monetization of 350 of the top 700 websites in Germany
- Approx. 4,500 Public Video Screens

Revenues: ~ 500 to 550 m€\*

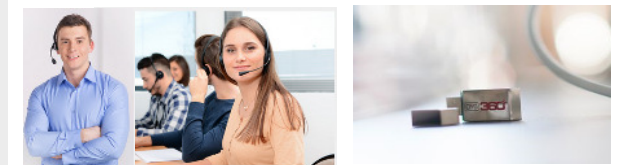


Display, Video and Digital Marketing Services

### Dialog Media

- #2 Dialog Marketing in Germany
- Approx. 7,500 agents
- 90% client overlap with Content & OoH Media
- Complementing marketing offer

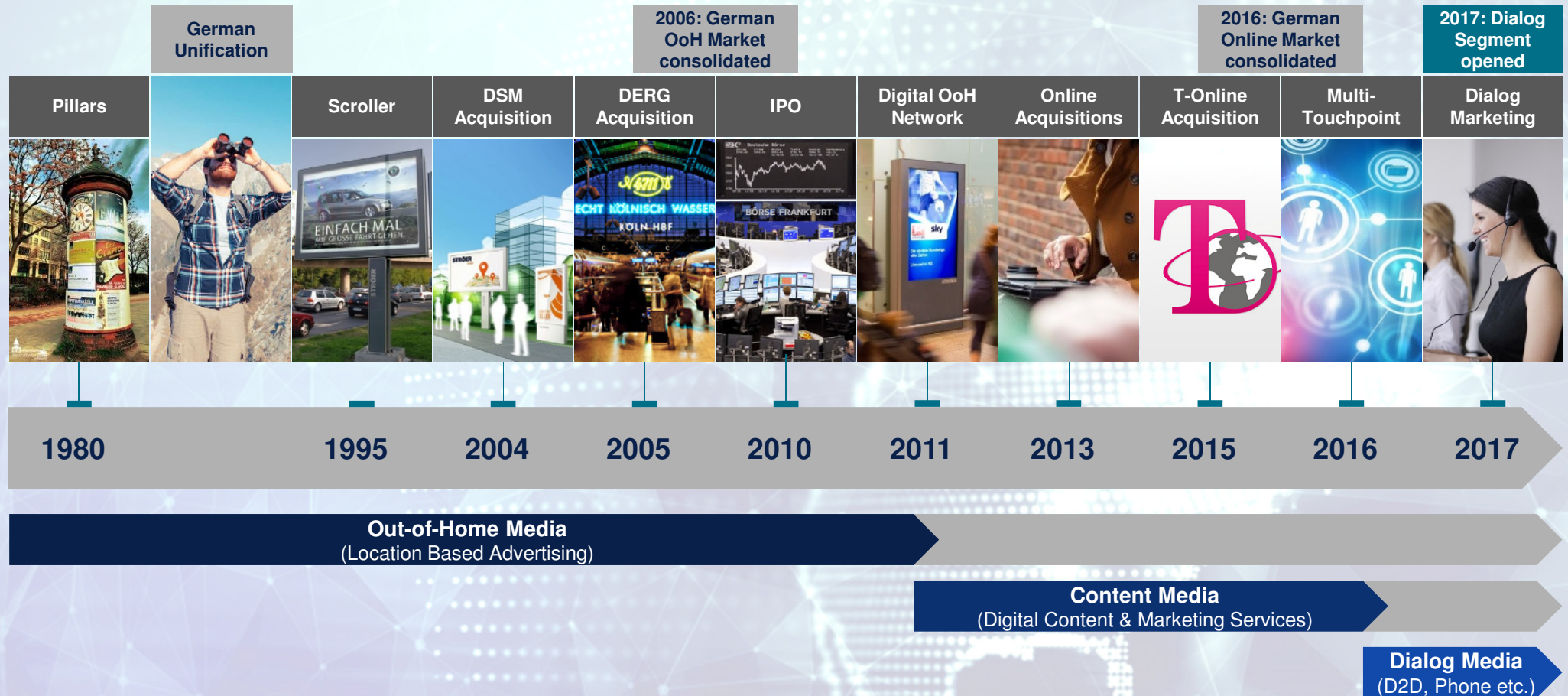
Revenues: ~ 350 to 400 m€\*



Dialog Marketing and Transactions

\* Preliminary figures, revenue split per segment w/o group consolidation

# Milestones of Ströer Strategic Development



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# Overall Performance in 2017

<b>Group</b>	Reported Revenues <b>1,331 m€</b> Organic Growth <b>9%</b> Operational EBITDA <b>331 m€</b>		
<b>Segments</b>	<b>Out-of-Home Media</b>	<b>Content Media</b>	<b>Dialog Media*</b>
	Revenues <b>652 m€</b>  Organic Growth <b>+5.7 percent</b>  Op. EBITDA-Margin <b>25.7 percent</b>	Revenues <b>528 m€</b>  Organic Growth <b>+9.9 percent</b>  Op. EBITDA-Margin <b>31.8 percent</b>	Revenues <b>190 m€</b>  Organic Growth <b>+21.0 percent</b>  Op. EBITDA-Margin <b>9.9 percent</b>

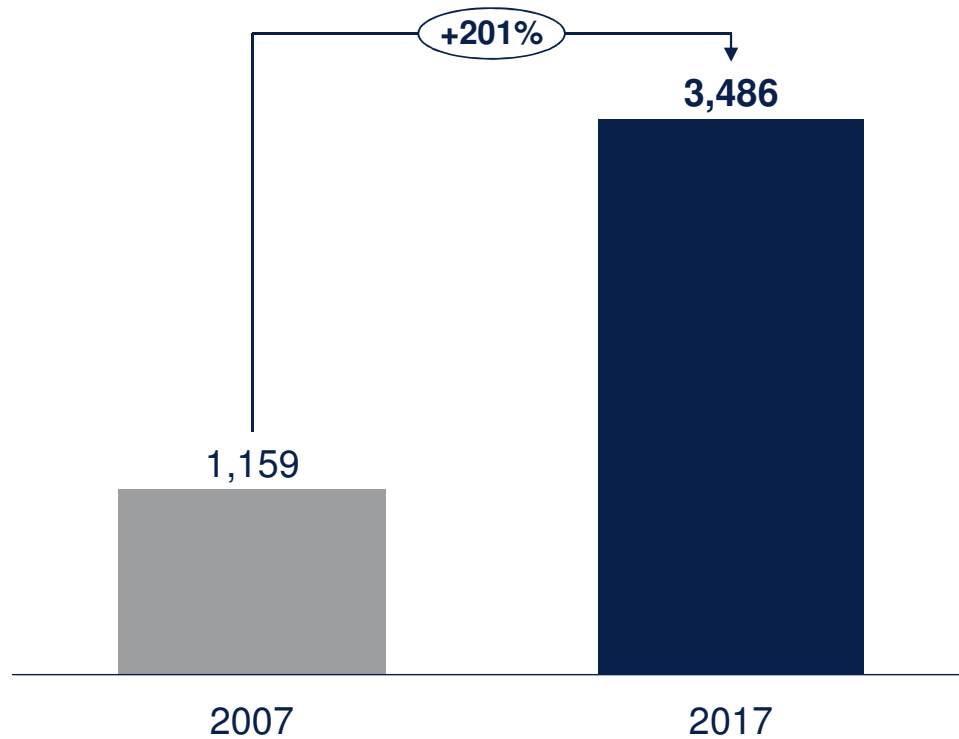
Note: Revenue split per segment w/o group consolidation

\* Core entities only consolidated for up to five month, pre portfolio optimizations and synergies

# Ad Market: Growth Driver Segments Content and Out-of-Home

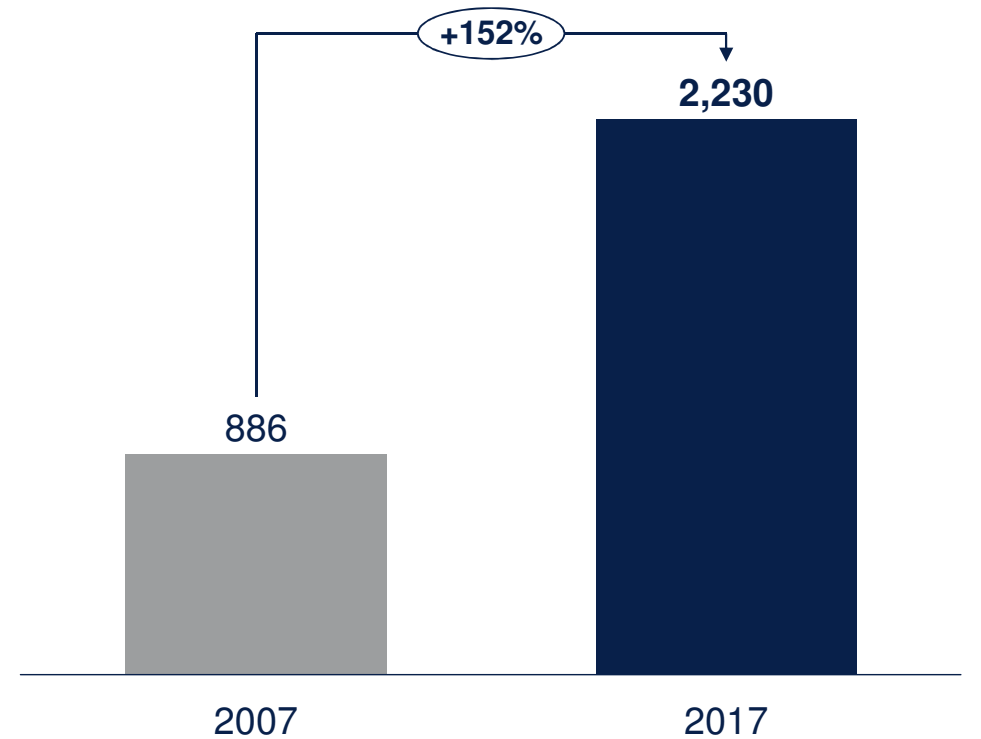
## Content Media\* (incl. Mobile\*\*)

EURm



## Out-of-Home Media\*\*\* (Location Based Advertising)

EURm



Source: Nielsen Media Research, gross advertising; \* Online & Mobile; \*\* Mobile (MOB): as of 2011; \*\*\* OoH incl. Billboard, Transport Media, At-Retail-Media, Ambient Media

# Robust & Sustainable Growth Drivers in all Key Segments

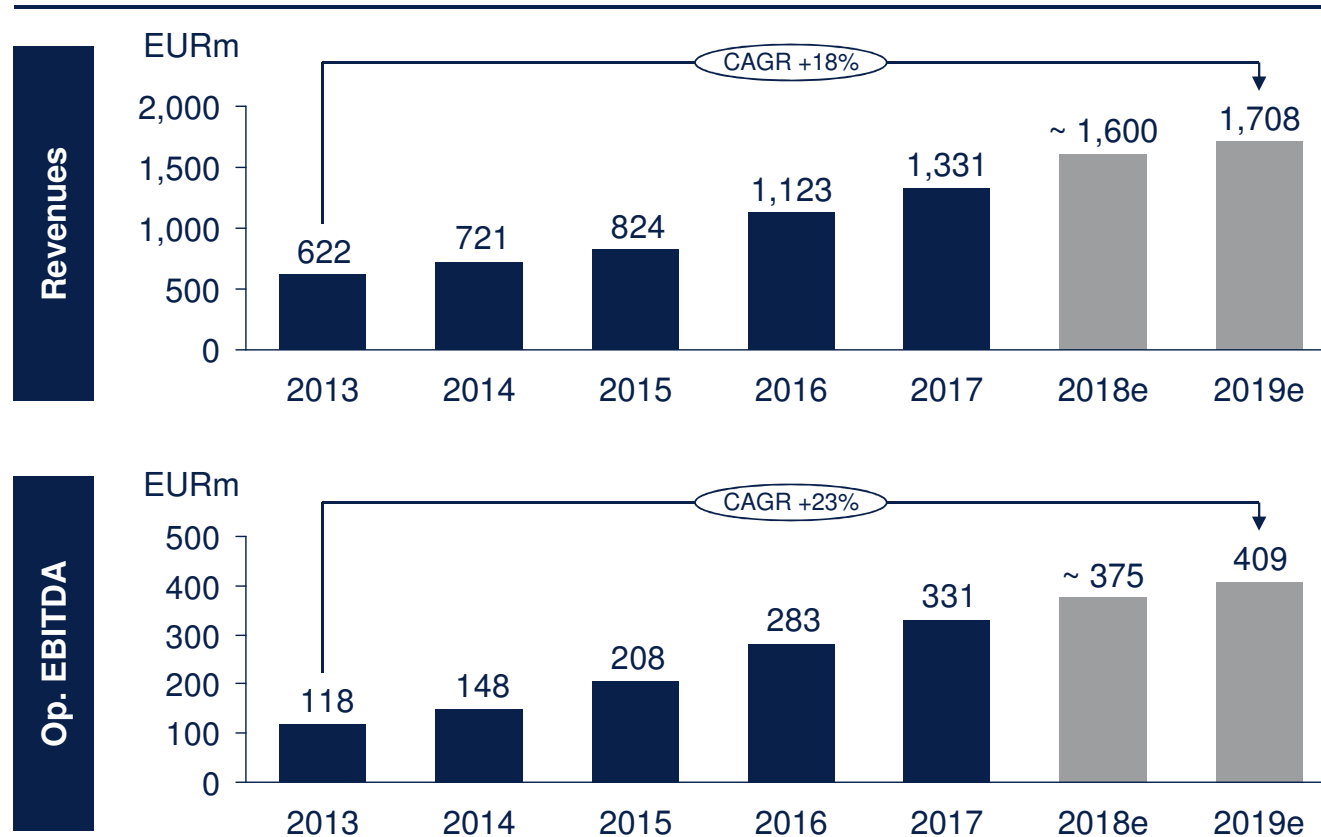
<b>Out-of-Home Media</b> (Location Based Advertising)	<b>Content Media</b> (Digital Content & Marketing Services)	<b>Dialog Media</b> (D2D, Phone, Chat, Mail, CpO)
Key logics:		
<ol style="list-style-type: none"> <li>1. Slightly growing and robust portfolio market share with growing audience through urbanization and mobility</li> <li>2. 54%* of revenues coming from local and regional business (vs. 46% national ad market)</li> <li>3. Digitization is driving both inventory value, monetization potential and yield optimization</li> </ol>	<ol style="list-style-type: none"> <li>1. Meanwhile strong market position amongst German players and consolidation opportunities beyond 30%** market share</li> <li>2. 51%*** of revenues coming from direct client relationships and direct programmatic sources</li> <li>3. Strong &amp; highly profitable own assets in combination with 345**** of the top 700 German websites</li> </ol>	<ol style="list-style-type: none"> <li>1. Growing clients' demand to manage &amp; drive direct consumer contacts when GAFA is more and more controlling access channels</li> <li>2. Market fragmentation and lack of professionalization &amp; scale is offering strategic opportunities</li> <li>3. Massive digitisation opportunities in combination with group synergies &amp; 360° sales channels</li> </ol>

\* 12M/2017; \*\* Source OVK: 12M/2017; \*\*\* 12M/2017; \*\*\*\* Source AGOF: 12M/2017



# Strong Growth Path Top and Bottom Line

## Key Financials



## Comment

### Ströer Group on a sustaining growth path:

- Revenue development: CAGR of +18% from 2013 to 2019
- Organic and acquired growth stemming from digital segment as well as robust development in German OoH business

### Optimistic outlook for 2018

- Revenue increase to approx. 1.6 bn€ driven by digital diversification, dynamic sales activities in regional/local OoH business and expansion of Dialog Marketing
- Stable operational EBITDA margin\*
- Free Cash Flow up to 175 m€\*\*

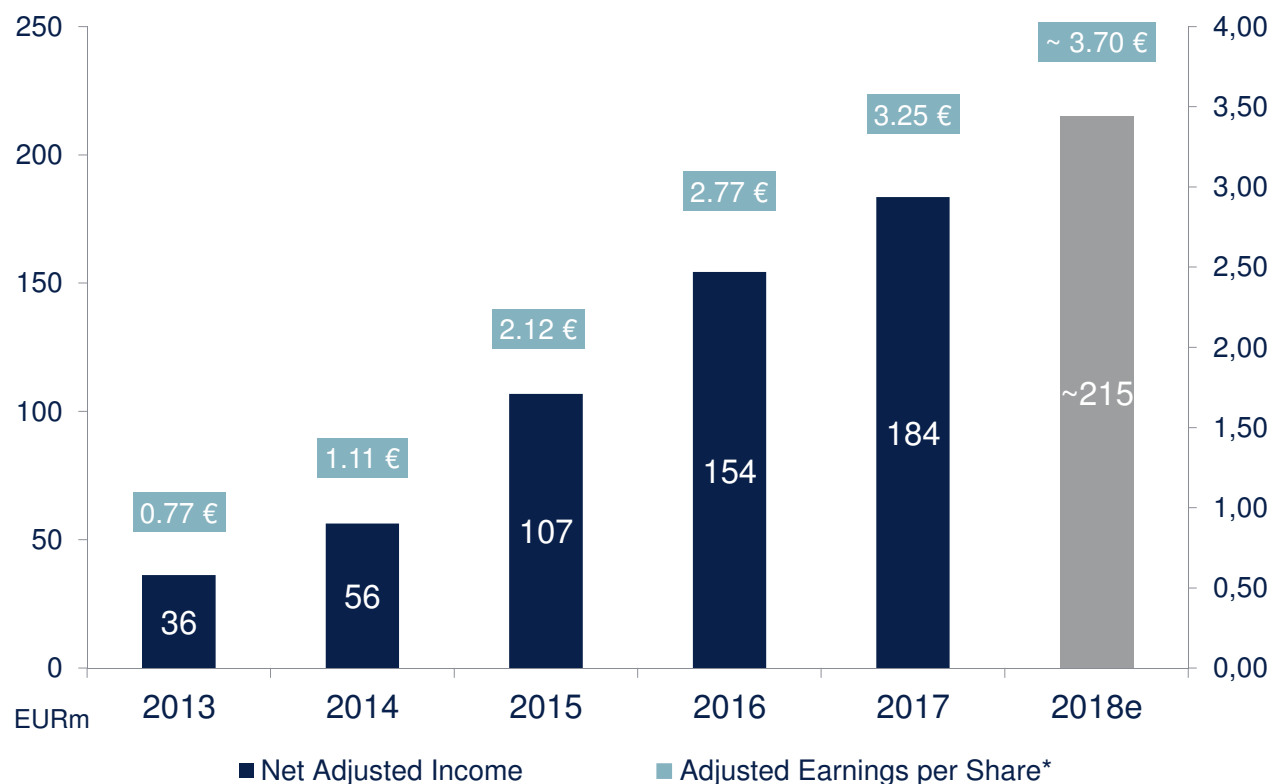
Note: Financials for 2013-2017 actuals, 2018 Guidance (before IFRS changes), 2019 Consensus

\* Like-for-like portfolio

\*\* Before application of IFRS 11 and IFRS 16

# Adjusted Earnings per Share almost quintupled from 2013 to 2018

Net Adjusted Income & Adjusted Earnings per Share\*



Comment

- Adj. EPS development: CAGR of around +35% from 2013 to 2018
- Strong underlying operational performance leads to strong bottom line increase
- Value accretive acquisitions for shareholders
- Financial expenses significantly reduced
- Adjusted Earnings per Share calculated on the Weighted Average of Shares outstanding

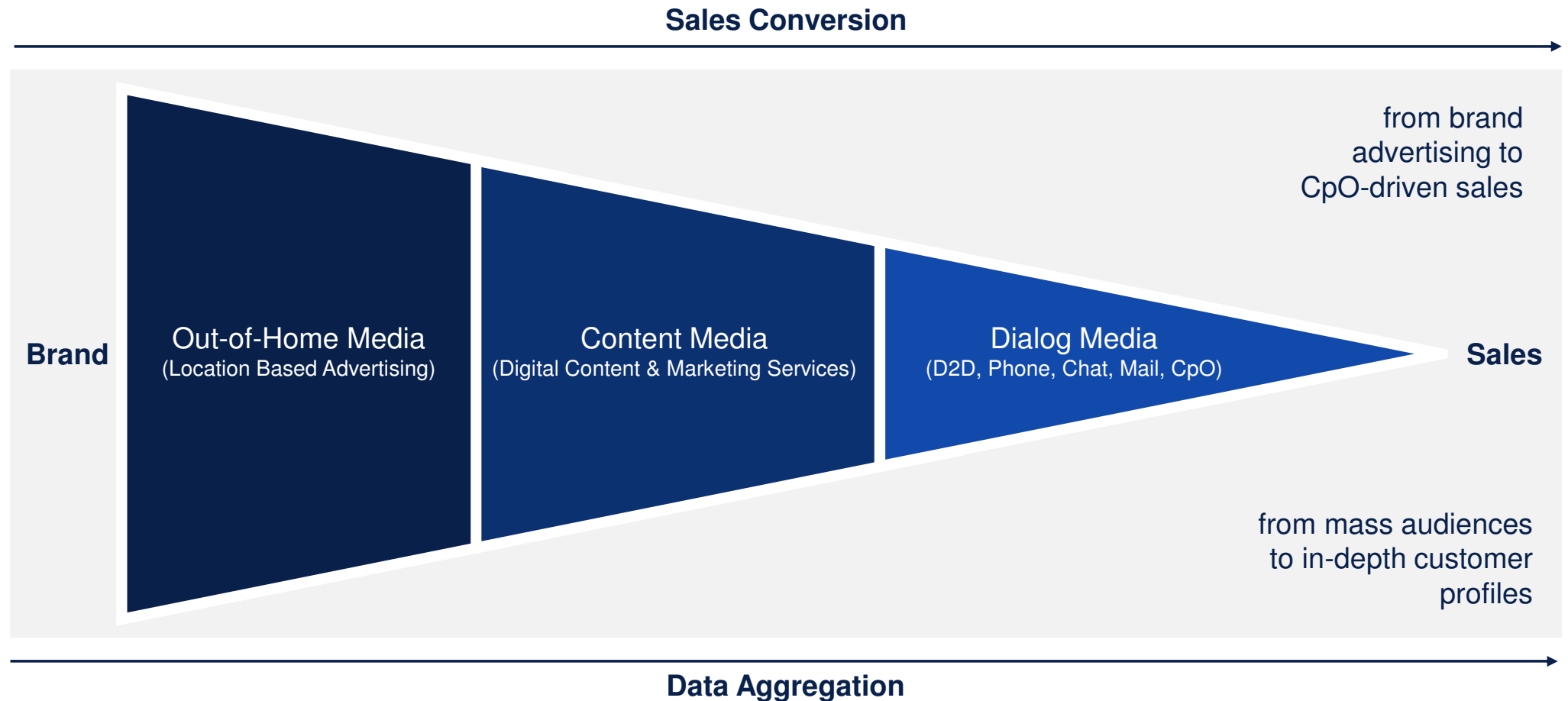
Note: Financials for 2013-2017 actuals, 2018 Guidance (before IFRS changes)  
\* After minorities

# Guidance Achievement Year by Year

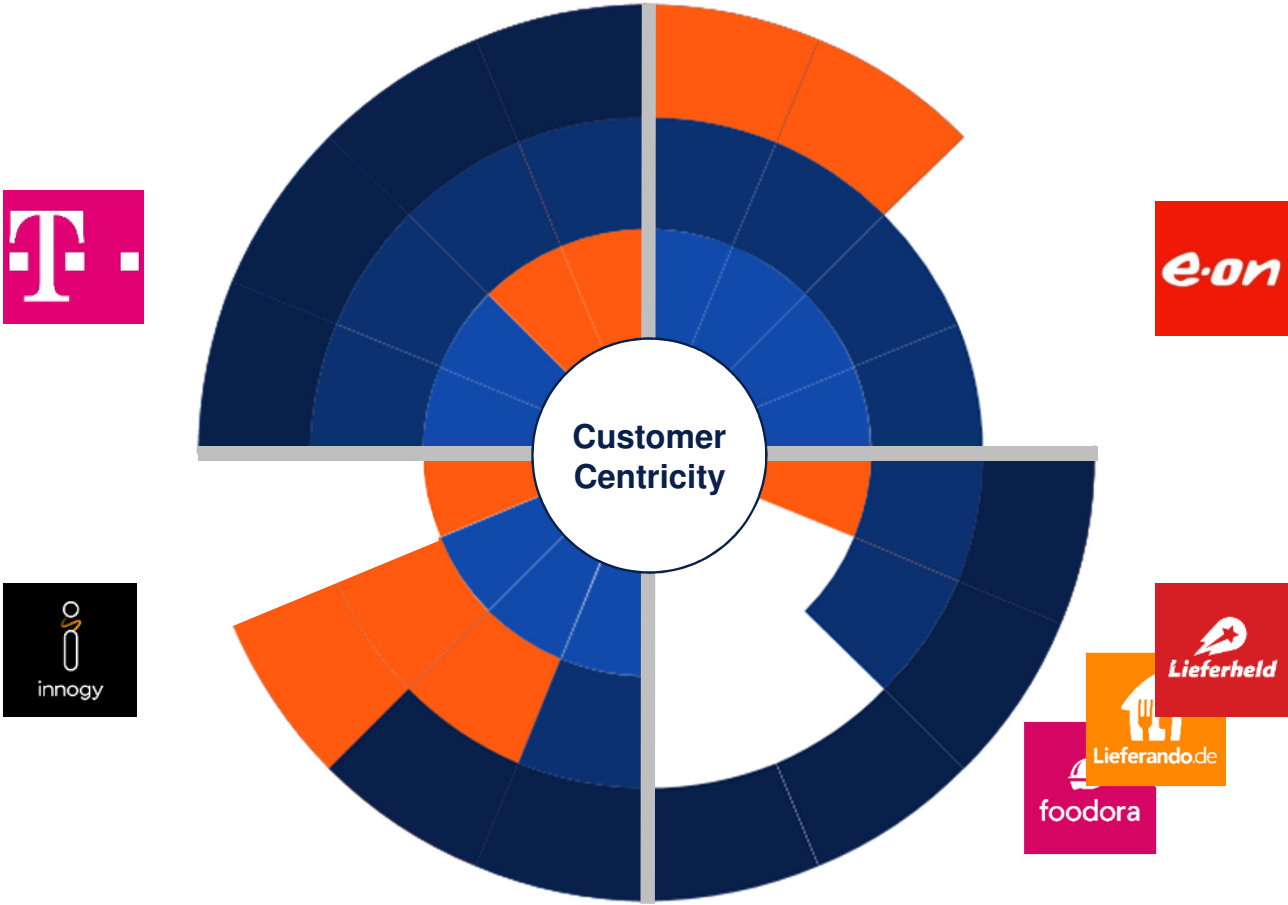
EURm	2013			2014			2015			2016			2017		
	Guidance	Actual		Guidance	Actual		Guidance	Actual		Guidance	Actual		Guidance	Actual	
<b>Organic growth</b>	Low single digit	3.5%	✓	>10%	11.4%	✓	High single digit	9.8%	✓	Mid to high single digit	7.2%	✓	Mid to high single digit	8.7%	✓
<b>Operational EBITDA</b>	Moderate increase	118 (+10%)	✓	~145	148	✓	>200	208	✓	>280	283	✓	320-330	331	✓
<b>Net Income Adj.</b>	Moderate increase	36 (+51%)	✓	>50	56	✓	~100	107	✓	>150	154	✓	>175	184	✓
<b>Free Cash Flow*</b>	Moderate increase	39	✓	Slight increase	80 (+103%)	✓	~100	116	✓	~135	139	✓	~145	146	✓
<b>Return on Capital Employed (ROCE)</b>	Moderate increase	10.3%	✓	>10%	13.8%	✓	Considerable increase	15.4% (+1.6% p.p.)	✓	stable	16.9%	✓	stable	17.6%	✓

Source: Company filings, broker research | \* Free Cash Flow before M&A

# Complementing Integrated Brand-Performance-Sales Funnel



# Exemplary Key Accounts



# Clear Strategic Focus: Investing in Our Core Capabilities

## Do's

- 1 Accelerate digitization of location based reach inventory
- 2 Leverage growing local sales force
- 3 Strengthen dialog & performance media segment and focus on core businesses
- 4 Integrated & dovetailed product portfolio, no stand-alone solutions

## Don'ts

- 1 OoH international in competitive market
- 2 No e-commerce businesses
- 3 Unsustainable arbitrage & pure intermediate models
- 4 Stand-alone or pure international adtech investments

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# Ströer Group's Key Performance Indicators – Guidance 2018

Key KPIs	Update Guidance 2018 w/o IFRS changes	Update Guidance 2018 incl. expected IFRS 11/16 effect
1 Total Revenues	~ 1.6 bn€	~ 1.6 bn€
2 Organic Growth	mid to high single digit	mid to high single digit
3 Op. EBITDA	~ 375 m€	~ 535 m€
4 Free Cash Flow	~ 170 to 175 m€	~ 310 m€
5 Net Income Adj.	~ 215 m€	~ 200 m€



## Segment expectation for 2018\*

<p><b>Group Guidance</b></p>	<p>Reported Revenues ~ <b>1.6 bn€</b>          Organic Growth <b>mid to high single digit percentage</b>          Operational EBITDA ~ <b>375 m€</b></p>		
<p><b>Segment Expectation</b></p>	<p><b>Out-of-Home Media</b></p>	<p><b>Content Media</b></p>	<p><b>Dialog Media</b></p>
	<p>Revenues ~ <b>700 to 750 m€</b></p> <p>Organic Growth <b>mid single digit percent</b></p> <p>Op. EBITDA-Margin <b>24-27 percent</b></p>	<p>Revenues ~ <b>500 to 550 m€</b></p> <p>Organic Growth <b>mid to high single digit percent</b></p> <p>Op. EBITDA-Margin <b>31-34 percent</b></p>	<p>Revenues ~ <b>350 to 400 m€</b></p> <p>Organic Growth <b>mid to high single digit percent</b></p> <p>Op. EBITDA-Margin <b>12-15 percent</b></p>

Note: Revenue split per segment w/o group consolidation  
 \* Before application of IFRS 11 and IFRS 16

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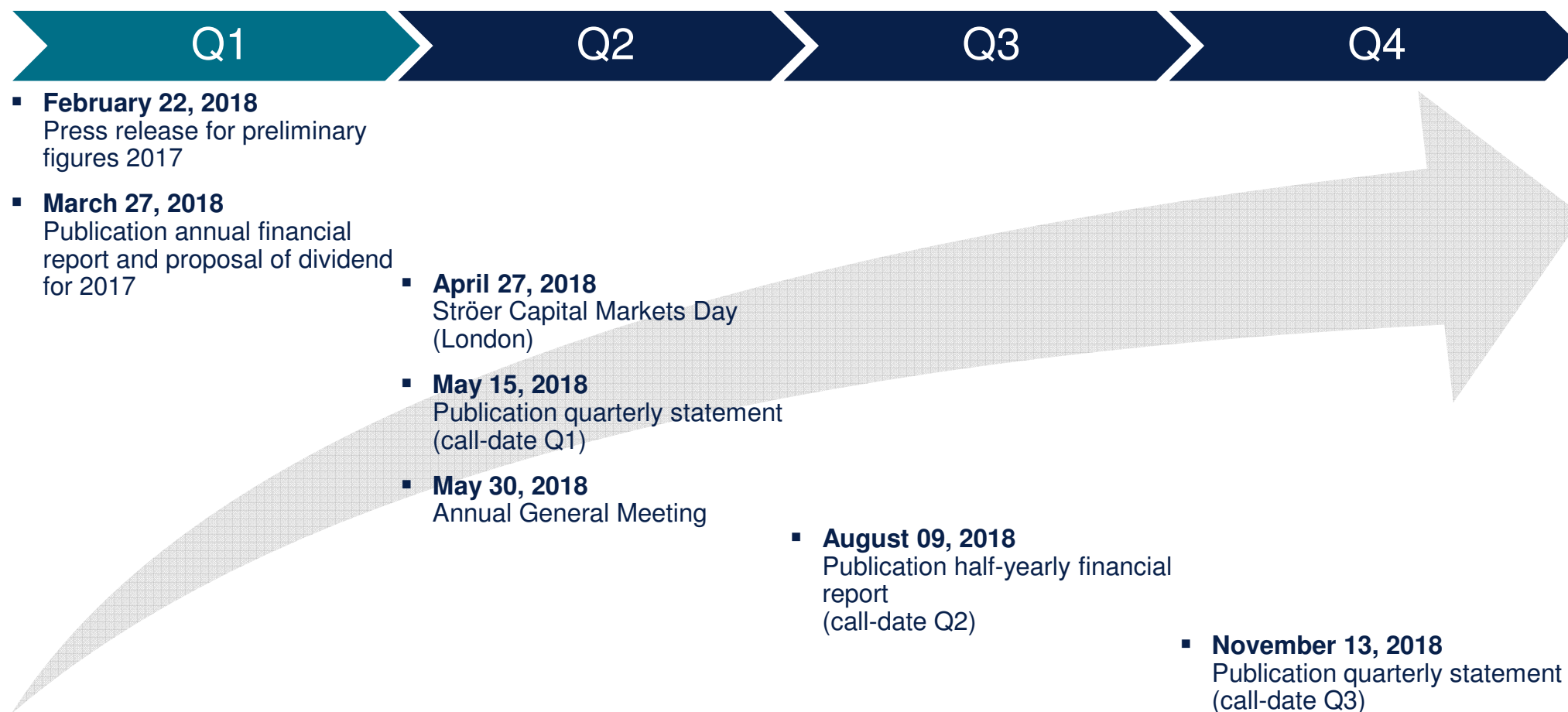
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