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Ströer SE & Co. KGaA
OOH+

February 2019 | Strategic Update


STRÖER
OOH+

Ströer – Leading digital Multi-Channel Media Company

13,000
employees

1.6 bn €
sales*

#2
in call center ranking

More than 100
locations

134 m
direct customer contacts

300,000
advertising sites

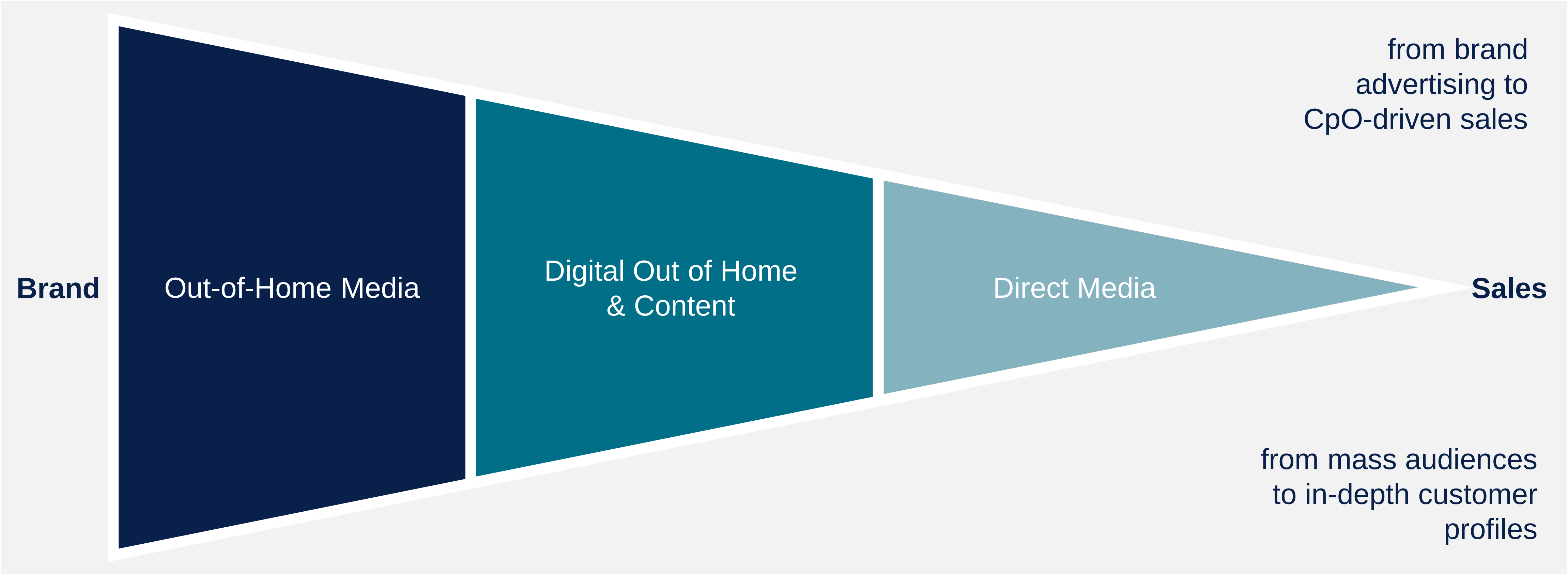
50.35 m
unique users**

5 bn
video views***

Source: *Entire year 2018 (outlook), **AGOF digital facts 2018/12 (16+ years old), users of mobile and/or stationary offers (in the last 3 months)
***per month/own research – from Dec 2017

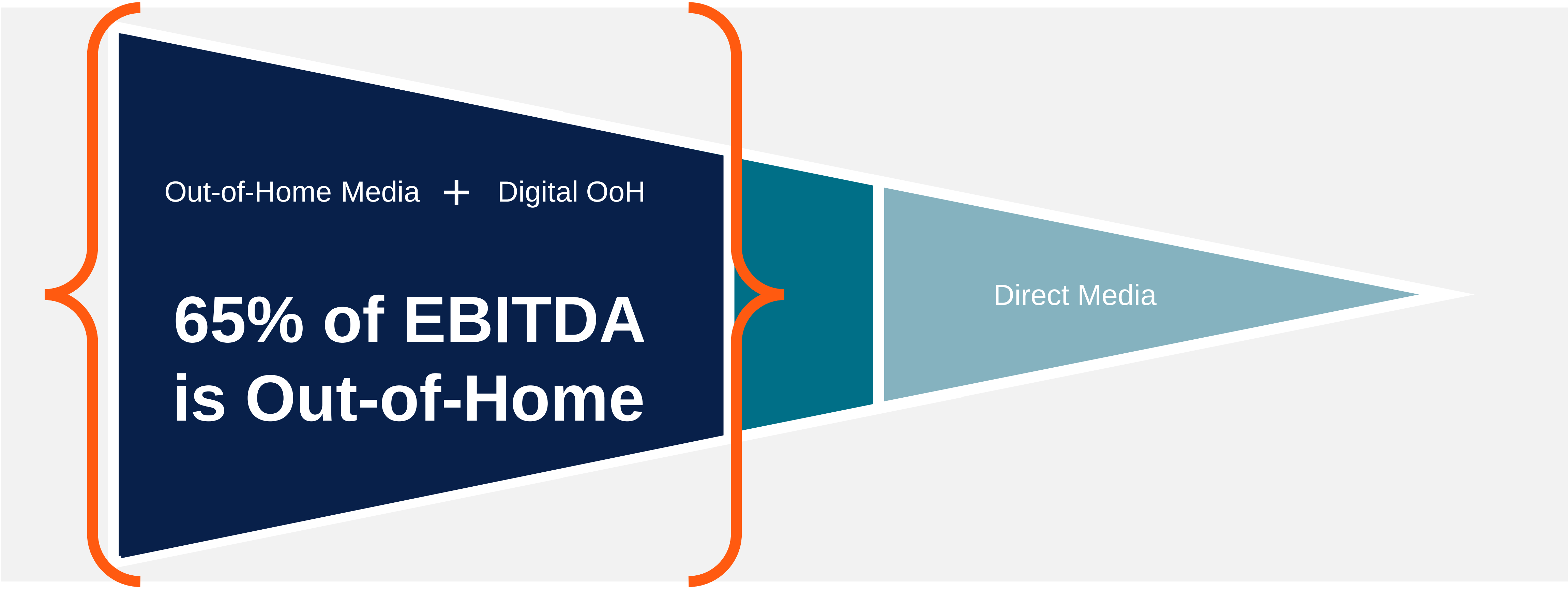
Multi-Channel & Customer centric …

Sales conversion

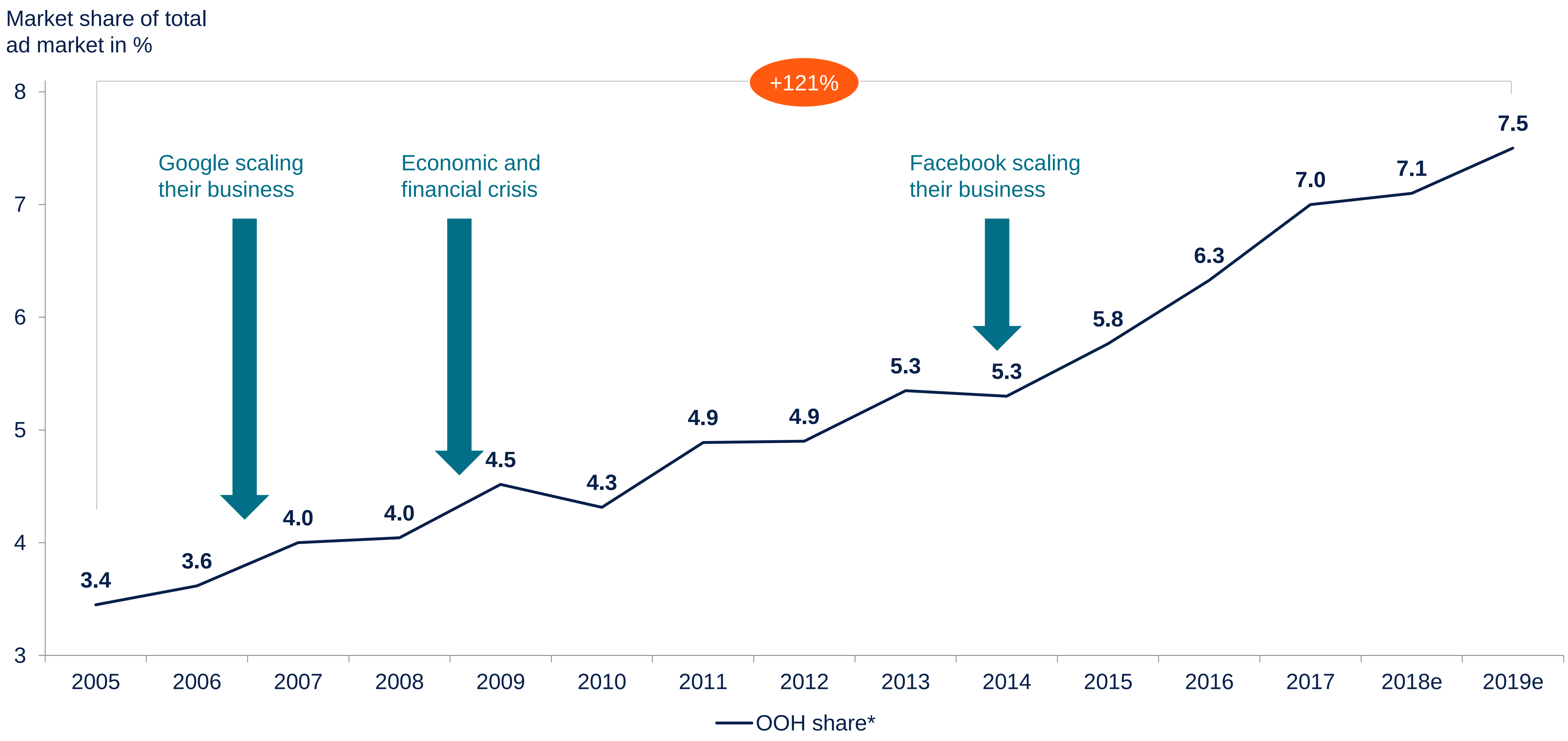


Data aggregation > knowledge

… but with one Core & Backbone: Out-of-Home!



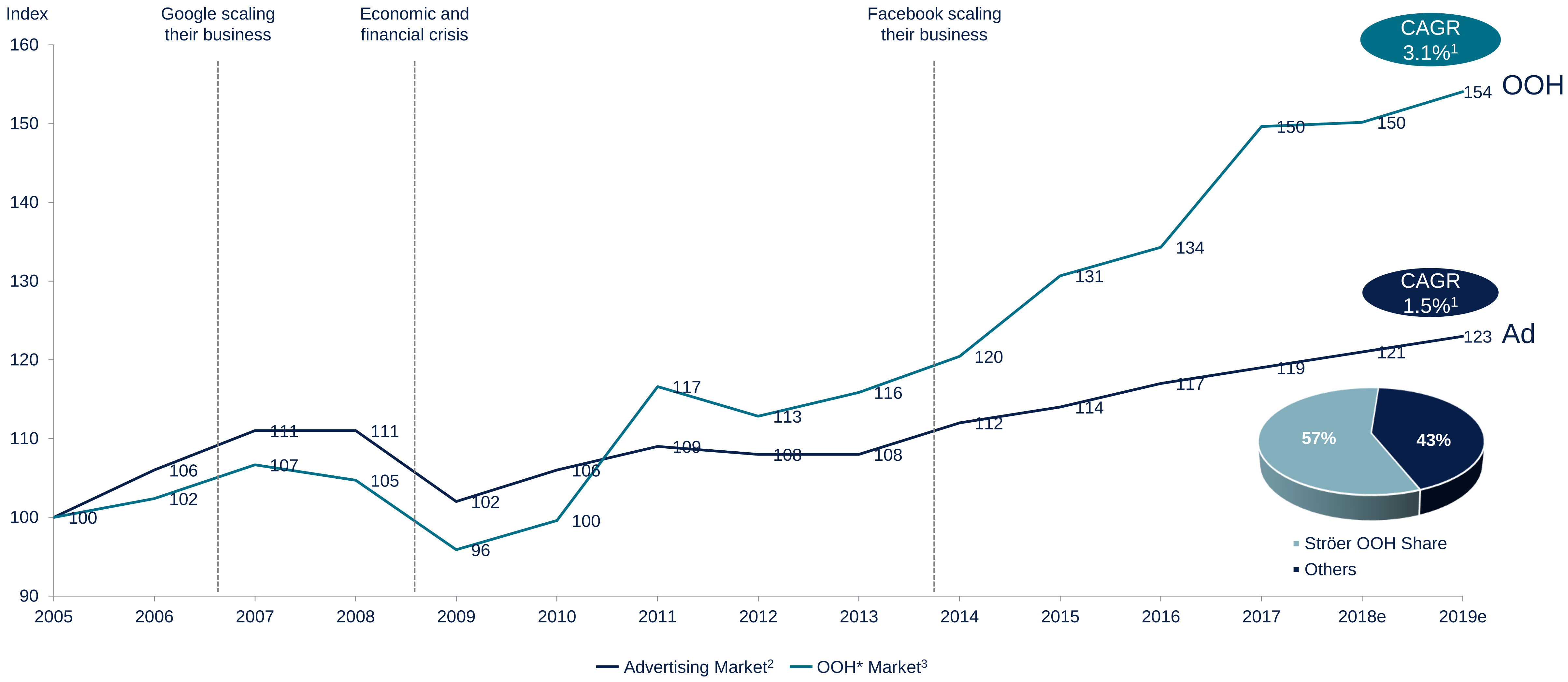
Robust long-term Growth of Out of Home Segment in Germany



Source: Nielsen Media Research, gross advertising without advertising mail
*OOH incl. billboard, transport media incl. Public Video and Infoscreen, at-retail-media incl. Mall Video, ambient media

OOH Market outperforming Ad Market – Ströer with unique Position

Index 2005 = 100



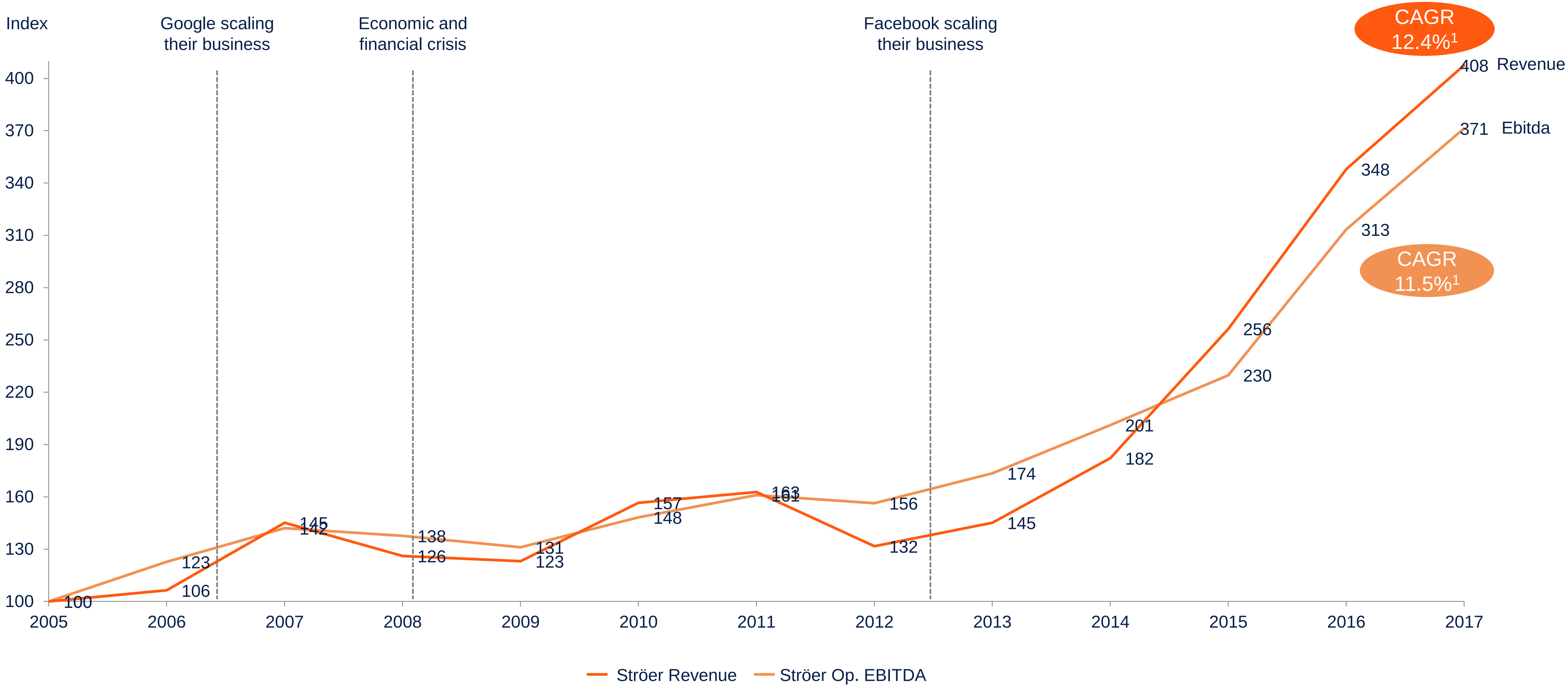
[1]CAGR 2005 – 2019e

Source: [2 3]Zenith Media/ZAW net; *OOH incl. billboard, transport media incl. Public Video and Infoscreen, at-retail-media incl. Mall Video, ambient media

**ZAW, Ströer Data

Steep and steady Growth of Ströer's Core financial KPIs

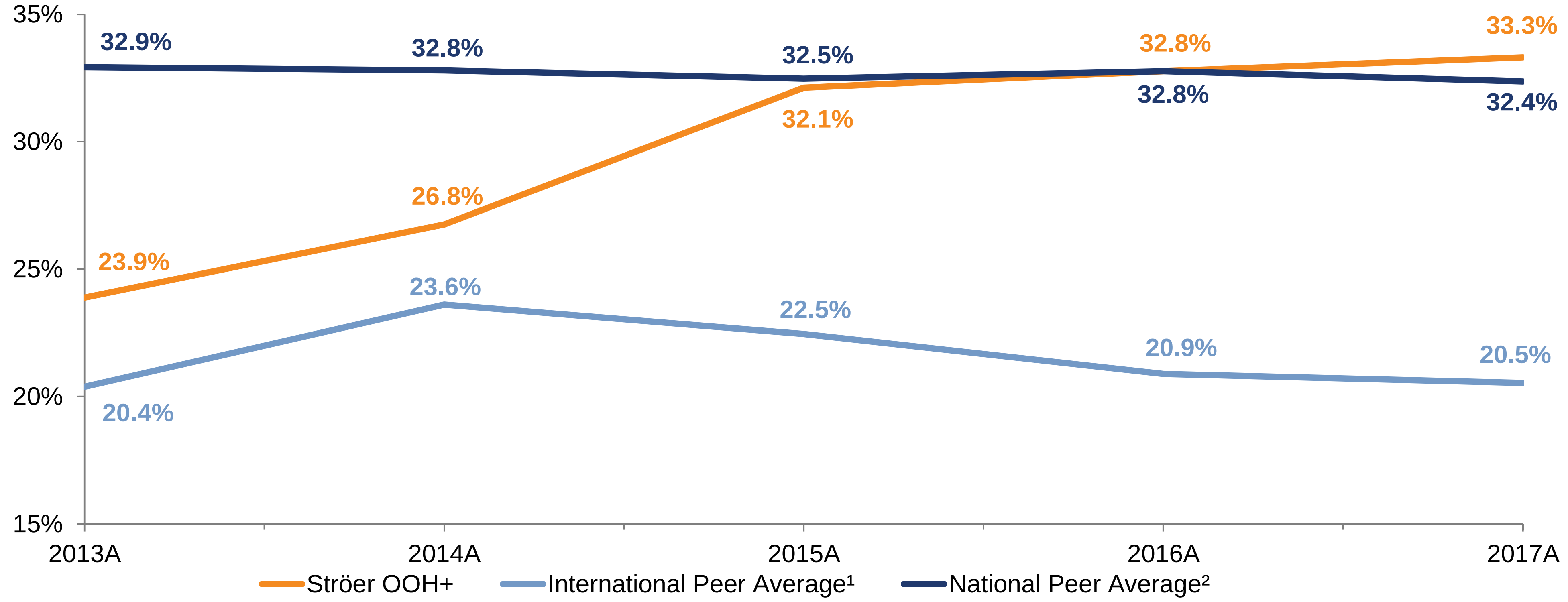
Index 2005 = 100



[1]CAGR 2005 – 2017
Source: Ströer Data

Strong Margin Development vs. OoH Peers in the last five Years

Adjusted EBITDA margin (in %)

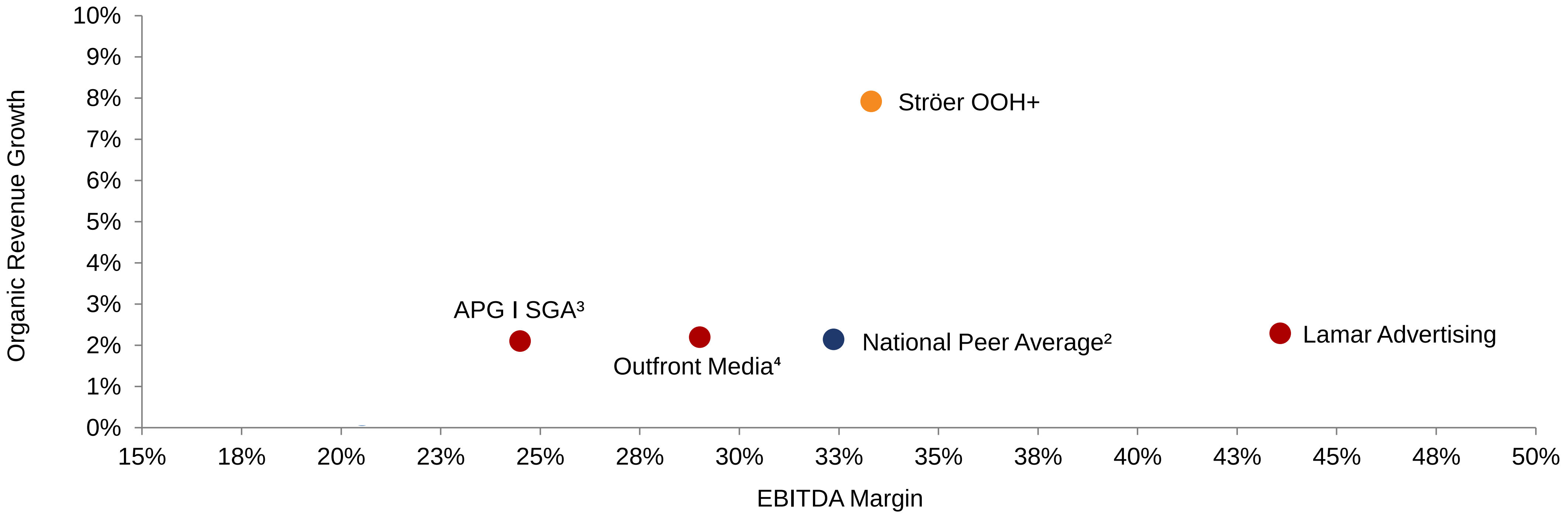


- Ströer has improved its Adj. EBITDA margin in the OOH+ segment from 23.9% in 2013 to 33.3% in 2017
- As of 2016, Ströer was able to improve its margin to the average level of national peers
- Ströer‘s margin is significantly ahead of international peers whose margins became under pressure over the last four years

Source: Public company filings, company information, IBES.
Note: EBITDA margin for Outfront Media based on operating income before depreciation, amortization, net gain (loss) on dispositions, stock-based compensation, restructuring charges and loss on real estate assets held for sale; [1] Includes all Multi-Market-Players; [2] Includes Lamar Advertising, Outfront Media, APG I SGA (Organic revenue growth for 2014A and 2015A only).

Margin & Growth Profile: Unique Positioning amongst National Peers

Organic revenue growth (2013A – 2017A) vs. Adj. EBITDA margin (2017A)



Source: Public company filings, company information, IBES, broker research. Note: EBITDA margin for Outfront Media based on operating income before depreciation, amortization, net gain (loss) on dispositions, stock-based compensation, restructuring charges and loss on real estate assets held for sale. [2] Includes Lamar Advertising, Outfront Media, APG I SGA (Organic revenue growth for 2014A and 2015A only). [3] Organic revenue growth based on 2014A and 2015A. [4] EBITDA margin based on operating income before depreciation, amortization, net gain (loss) on dispositions, stock-based compensation, restructuring charges and loss on real estate assets held for sale.

Focus on one Country in combination with best Client Access

Supply side

National Focus enables:

1. More focused execution excellence
2. Less management dilution
3. Thus higher margins

Demand side

Embedding* OoH improves:

1. Broader client access
2. Higher share of wallet
3. Better Scaling of local salesforce

* In broader multi-channel approach and combining OoH with Online & Direct media.

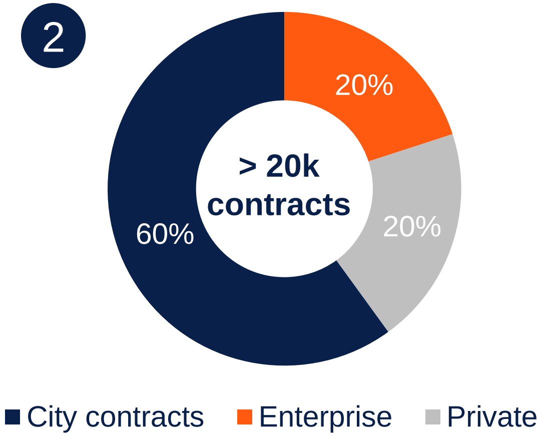
Unique and consistently robust Market Position in Germany

Termination of engagement in Turkey/focus on Germany

1

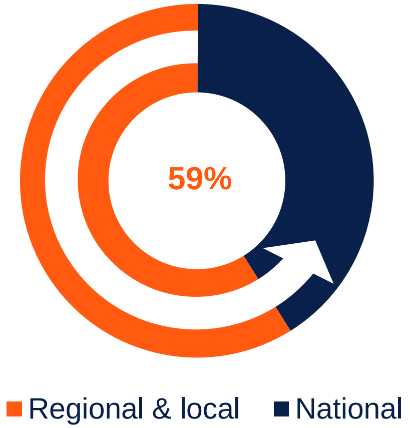
Diversified portfolio

2



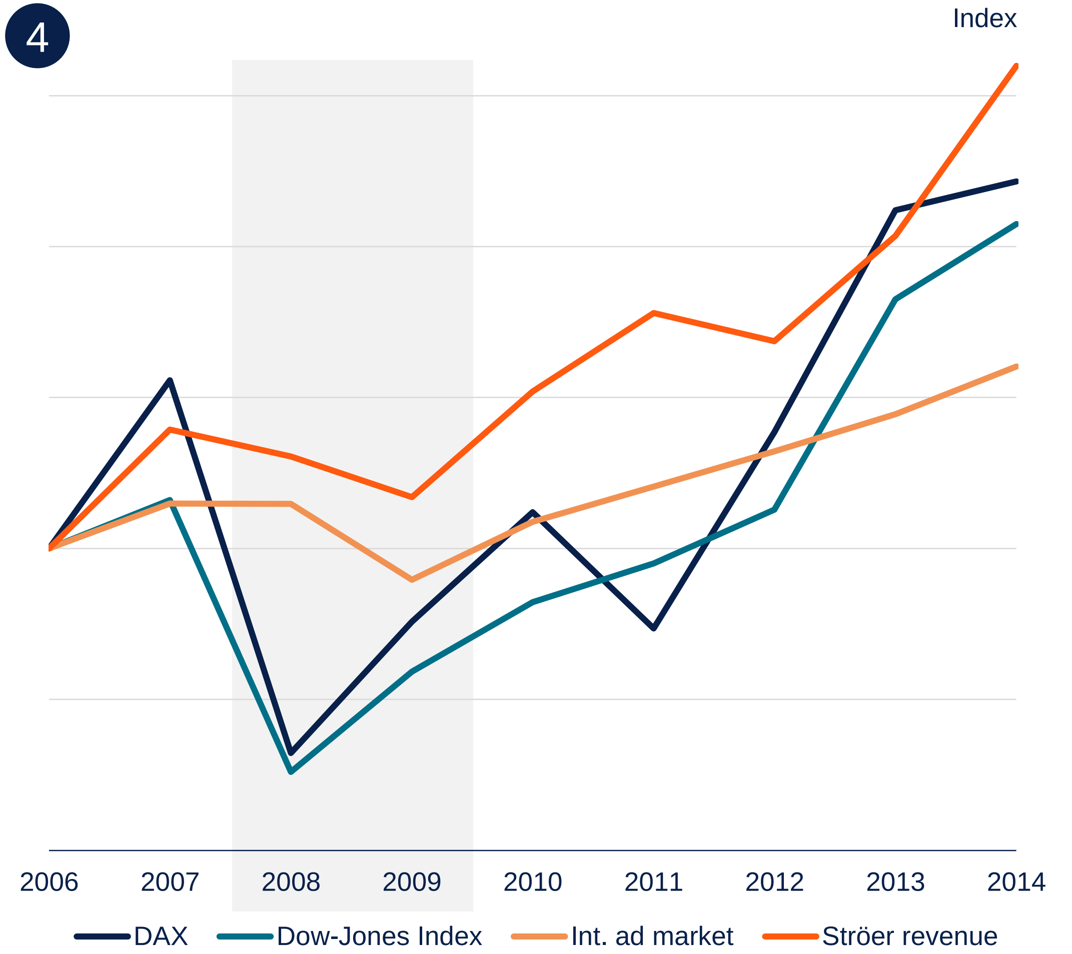
Increasing regional sales

3



E.g. Crisis '08/'09: showing only small effect on Ströer KPIs

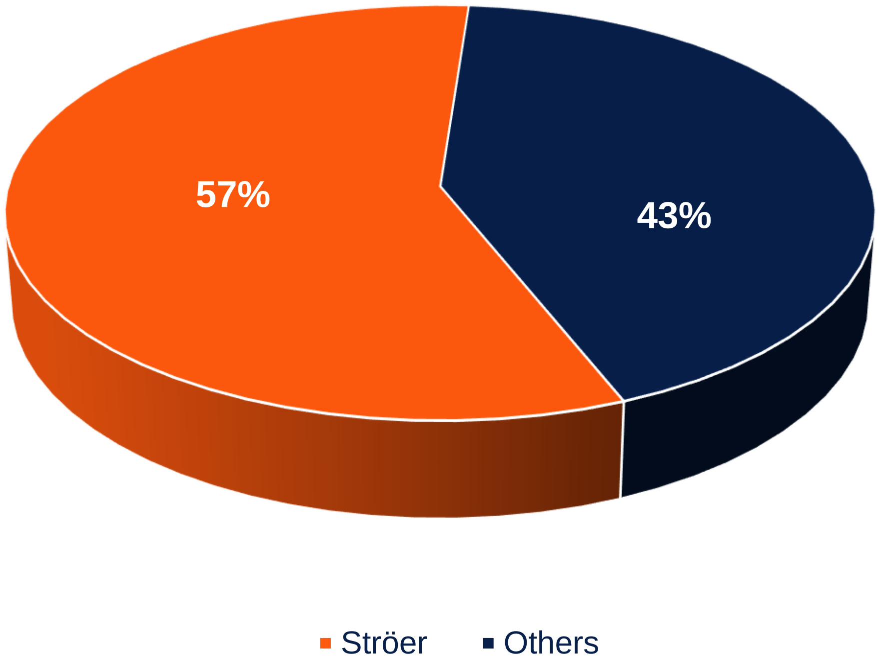
4



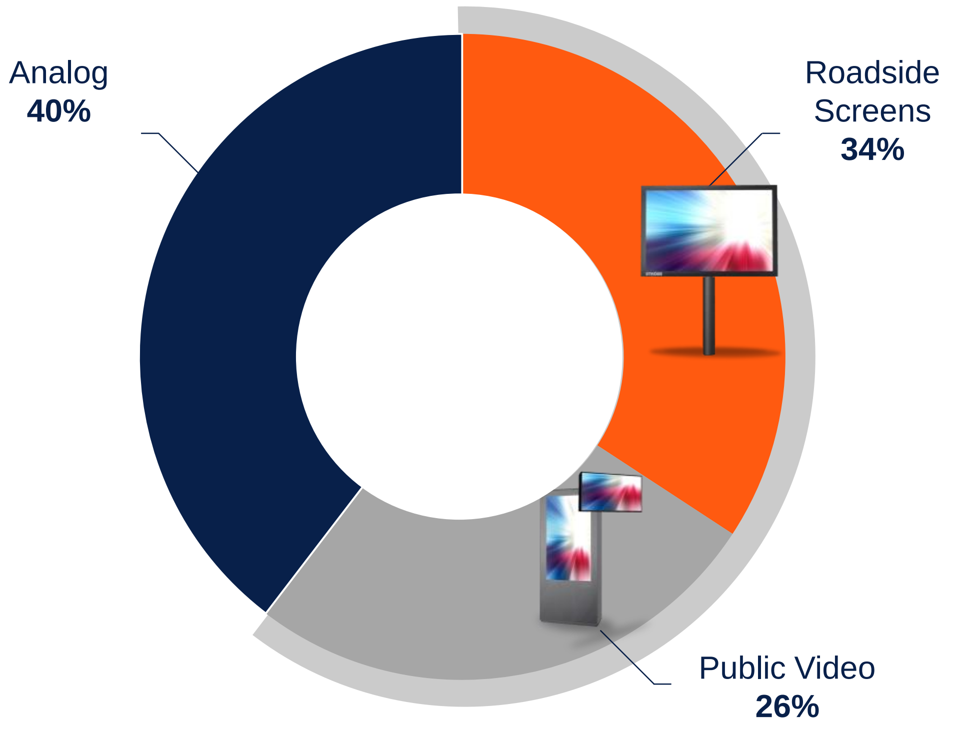
Source: Statista; internal Ströer data; ZenithOptimedia

Best prepared for Growth Path of Out-of-Home Digitization

OOH market share Germany



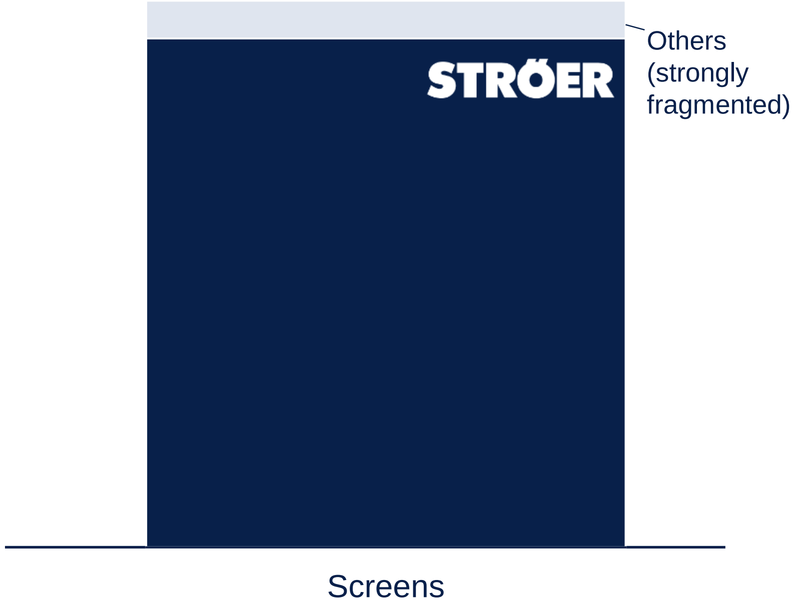
Investment volume OOH
Clear Focus on digitization of Inventory



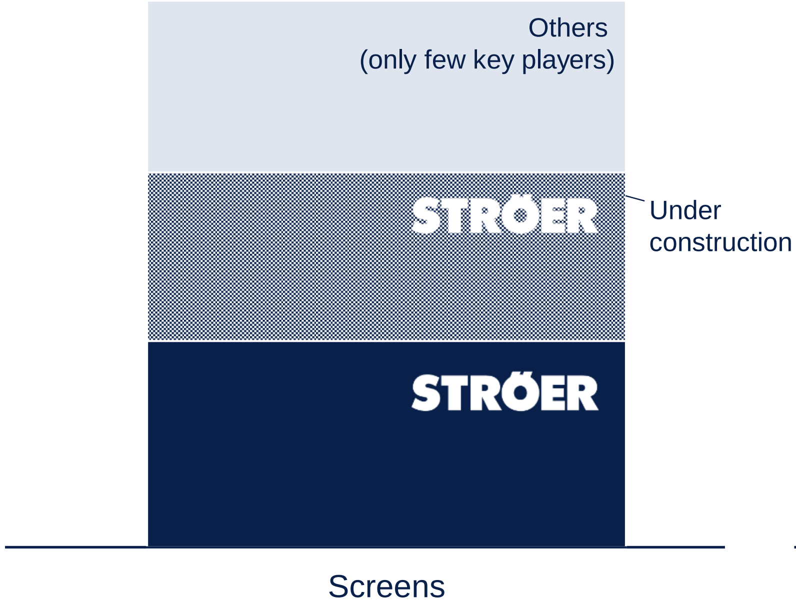
Source: Nielsen Media Research, gross advertising without advertising mail. OOH incl. billboard, transport media incl. Public Video and Infoscreen, at-retail-media incl. Mall Video, ambient media; Ströer forecast from central controlling

Unbeatable Market leading DOoH Position already today

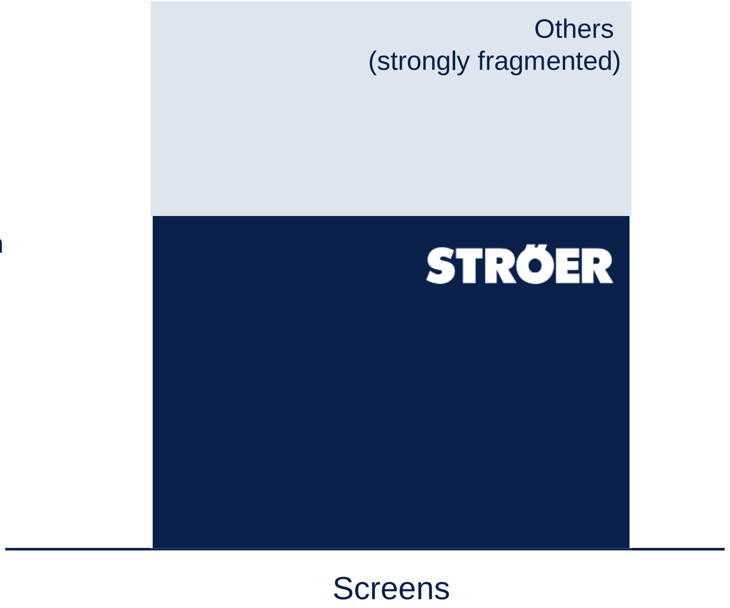
Public Video Network
(Premium traffic and shopping POIs)



Roadside Screens
(RSS, DCLB, DCLP)



POS/Digital Signage
(Food & other channels)*

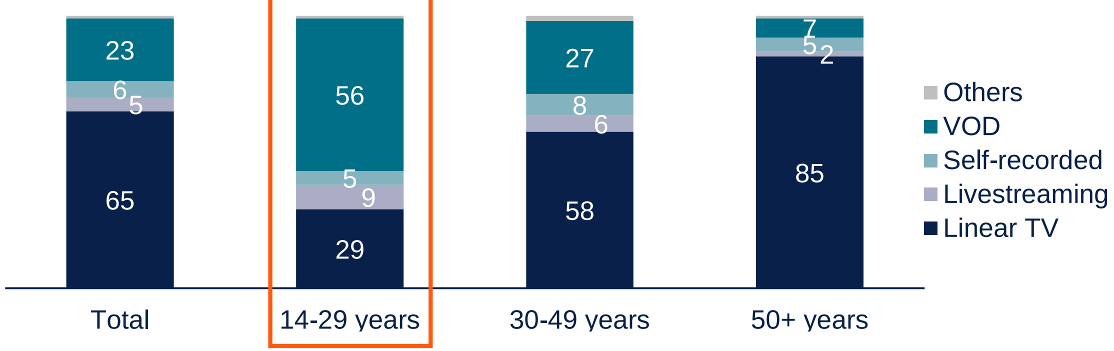


Source: In-house, DMI – Digital Out of Home Standorte Screens 2018-02-15.1.pdf; *excluding rights of promotion

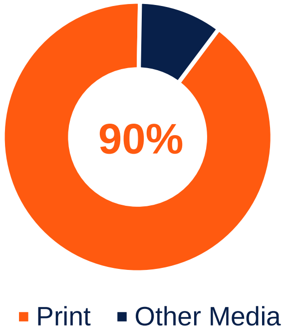
Huge Capacities to benefit from shrinking Traditional Content Media

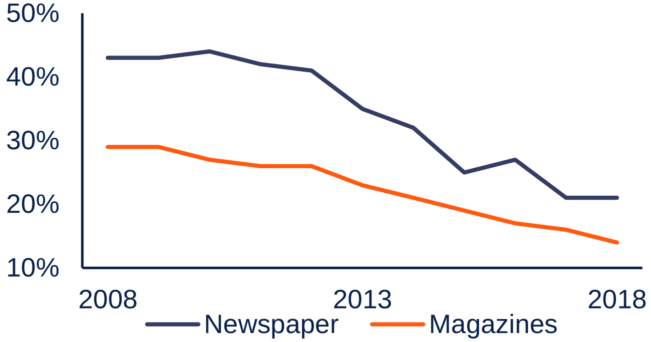
National ad market: significantly less relevance of classic TV for younger target group

Shares of use in %



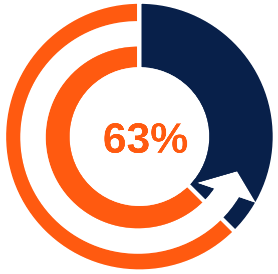
Local ad market market dominated by Print



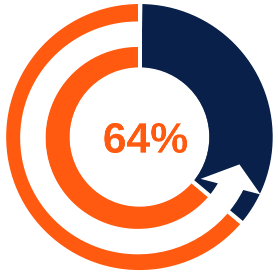


Ströer fill rates 2018 & opportunities

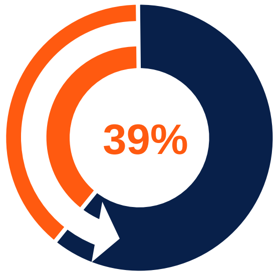
Classic Out-of-Home Media
Networks (I/O)



Analog Out-of-Home Media
Selected (I/O)



Digital Out-of-Home Media
I/O, Programmatic



Source: Kantar TNS - Digitalisierungsbericht 2018; Print: ZAW, Nielsen, Bundesverband der Anzeigenblätter, BDZV; Statista

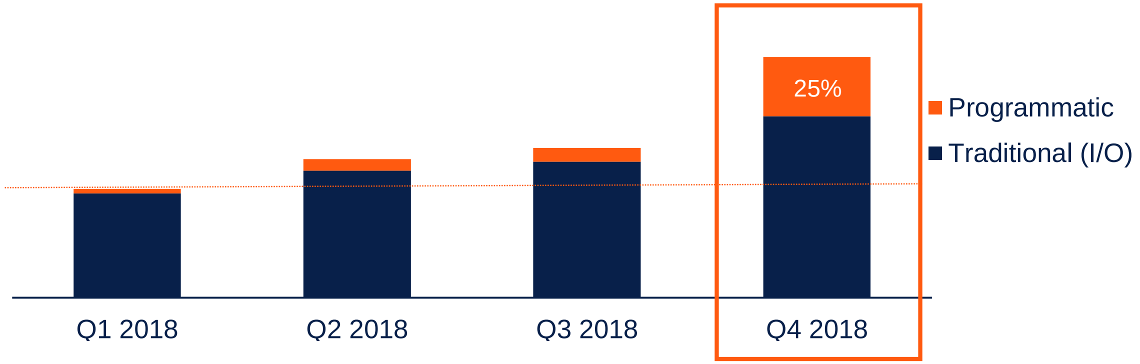
Programmatic Public Video (PPV): Taking off since Q4/2018

Historic developments as and long-term market education

- 2016 (HY 2): First beta test with Vivaki and Active Agent to test market acceptance and define tech design
- 2017: optimisation of DOoH playout systems parallel to synchronisation with online logics (e.g. 1:1 vs. 1:many) to develop scaleable technological setup
- 2018: continuous integration of market leading DSPs including on-going product enhancement and sales role-out

Continuous strong organic growth of I/O-business with accelerated programmatic demand

Absolute & Relative Development of Revenue Streams



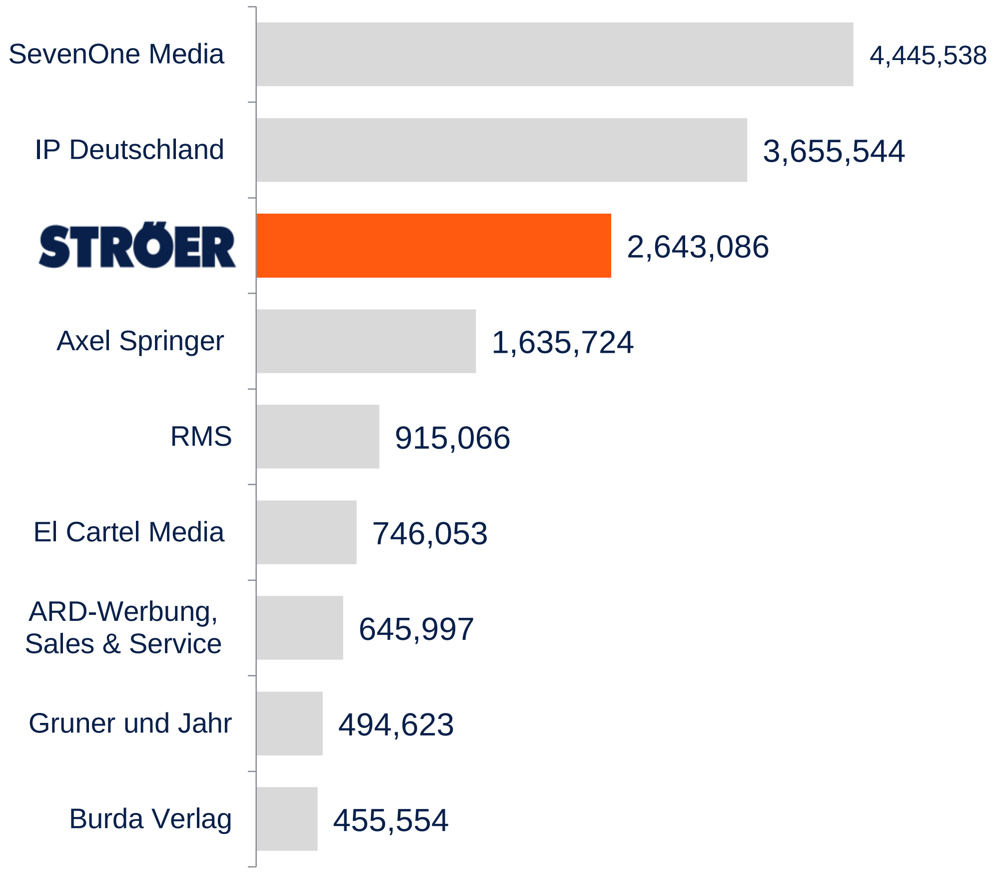
Broad range of DSPs integrated since mid 2018

Current Features & Product Roadmap

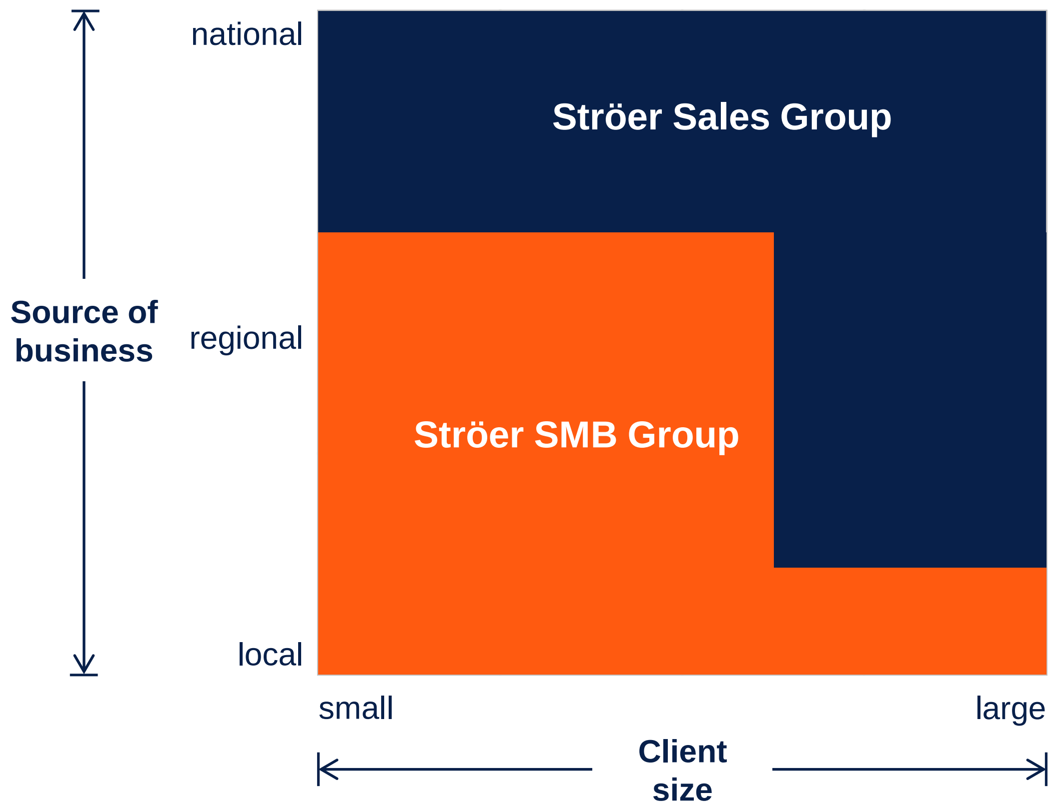
live	*Q2-4/2019*
Multi Geo-Fencing	Dynamic Creative
Event Targeting	Public Re-Targeting
Socio Targeting	Full PMP Functionality

Top three Sales Platform: From national to hyper local Business

Media sales house ranking



Local full service provider



Sources: Nielsen Media Research Gross Advertising, Q1 – Q3 (Germany); cons. gross sales Ströer: OOH Germany + all digital saleshouses of the Group

Maximizing Share of Wallet: Marketing Partner for Key Accounts

	OOH Media	Content Media	Direct Media	Integrated
T · · ·	●	●	●	●
PM	●		●	◑
Coca-Cola	●	●	◔	◑
DB	●	●	◑	●
VW	●	●	●	●
ebay	●	●	◔	◔
amazon	●	●	◔	◑
sky	●	●	●	●
REWE	●	●	◑	●
Lieferando.de	●	●	◔	◑
IKEA	●	●	◑	◑

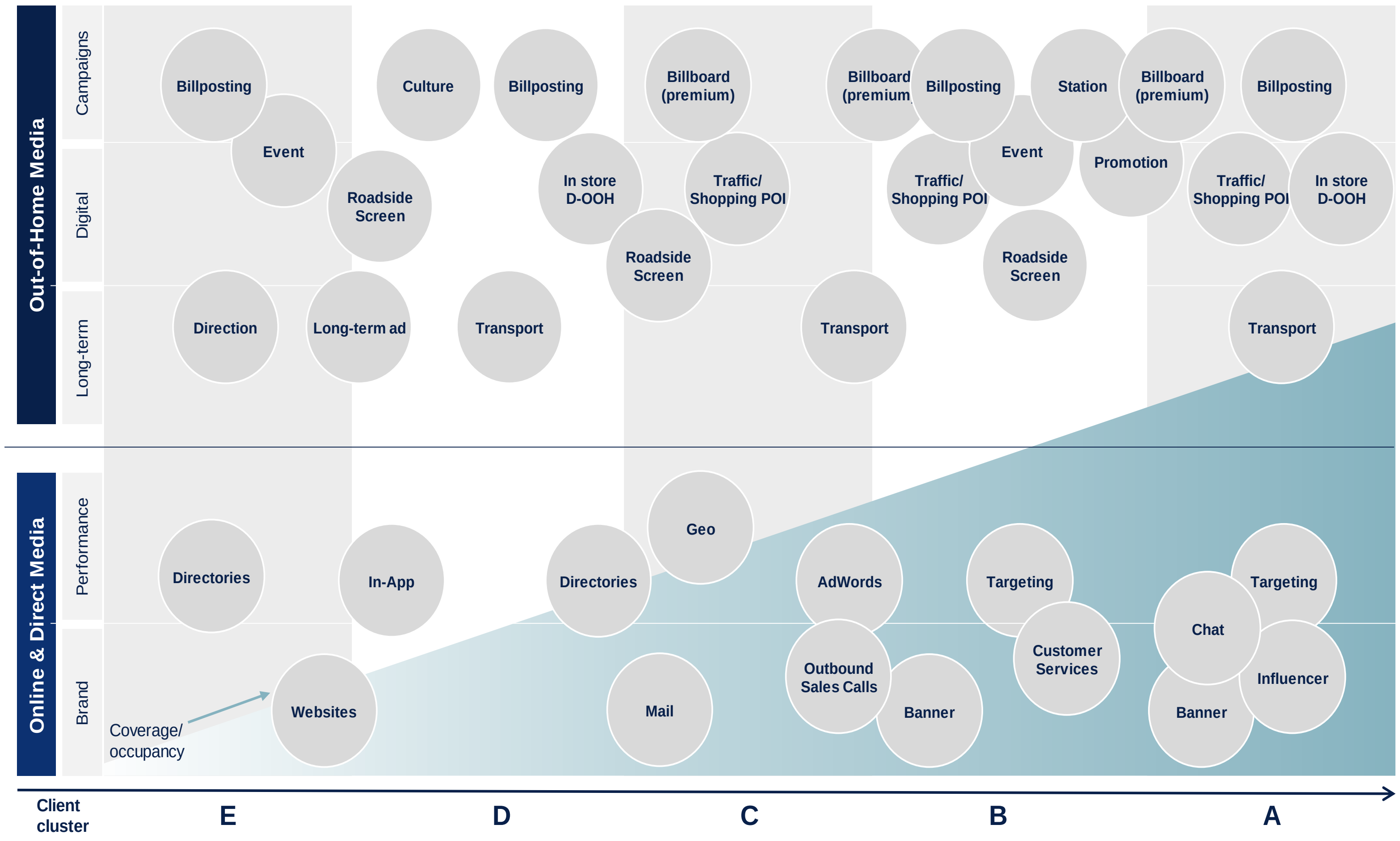
	OOH Media	Content Media	Direct Media	Integrated
OTTO	●	●	◑	●
ALDI	●	●		◔
McDonald's	●	●	◔	◑
vodafone	●	●	●	●
Mondelēz International	●	●		◔
SevenOne Media	●	●		◔
SAMSUNG	●	●	◑	◑
Telefonica	●	●	●	●
Ritter SPORT	●	●		◔
BAUHAUS	●	●	◔	◑
zalando	●	●	◕	◕

● High ◑ Medium ◔ Low

OOH Media Content Media Direct Media Integrated

Minimizing Cost of Sales: Broad Product Range for SMEs

Diversidfied OoH, Online & Direct Media Product Porfolio across Client Clusters as well as Branding & Performance Solutions



Strong growth of local & digital sales force

Sales team/FTEs	2016	2017	e2018	e2019	e2020
Regional consultants	89	118	110	120	130
Local sales	243	284	520	685	850
"Digital only" consultants	62	58	120	140	160
Ströer SME only call center agents	40	35	50	55	60
TOTAL	434	605	800	1,000	1,200

Do it for you 'Service Platform'


OOH+

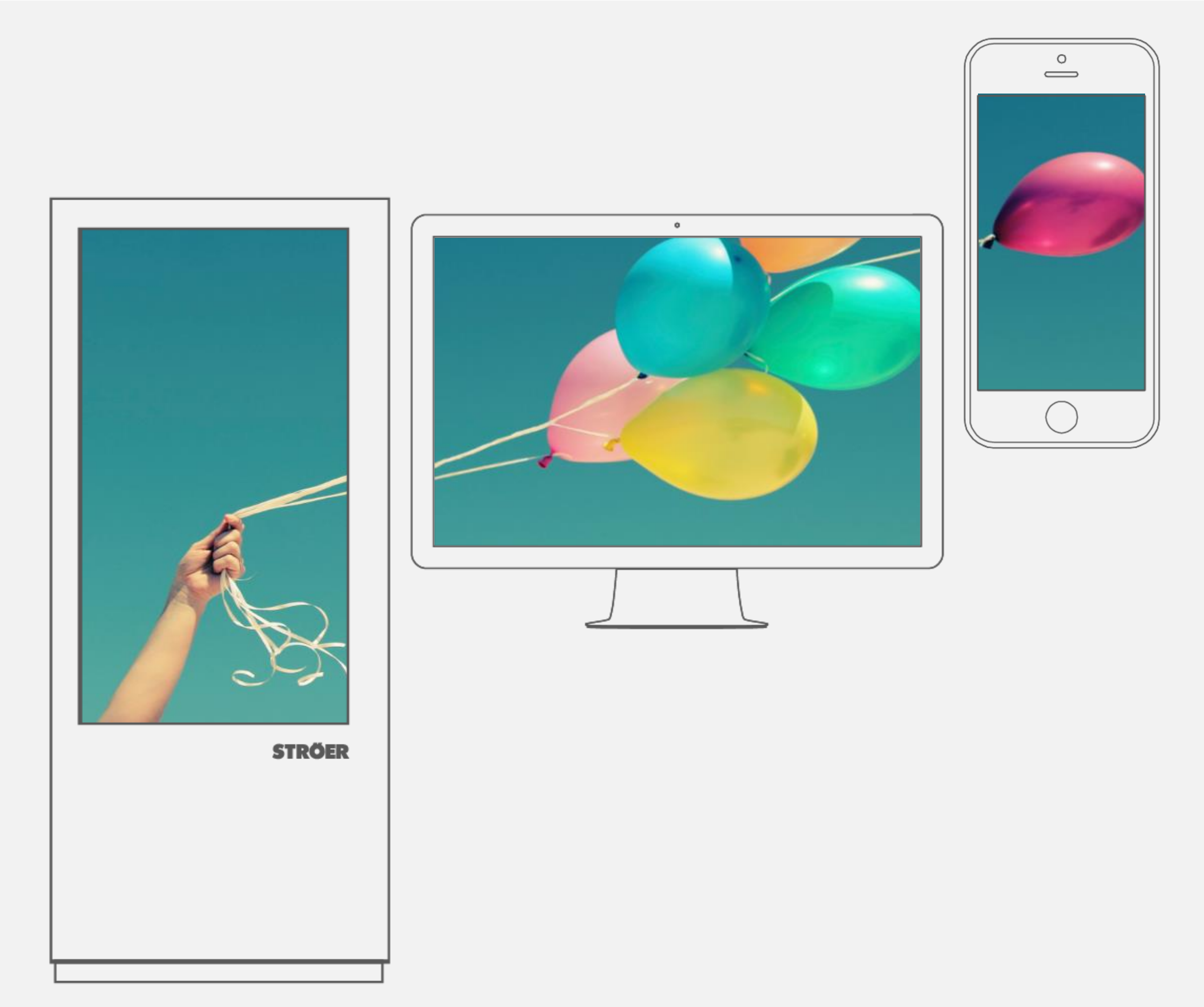
Leveraging Online Tech: Integrating DOOH in digital Ecosystem

Performance

- All in one: All screens – one broadcast
- Classic and programmatic booking
- Theme channels on all screens incl. Public Video
- Near real time broadcasting

Benefit

- Interaction of digital and physical world as an important part of modern communication strategies
- Numerous content categories corresponding to online
- NEW: Target group bookings also with Public Video (fitting, location-specific)
- Easy extension of online campaigns



Pushing DOOH via premium Content Integration

Pushing DOOH via premium Content Integration

Maximizing Growth and Margin: OOH$^+$

1. **Operational Excellence** through focused one market strategy
2. **Maximizing share of wallet** by combining OoH with Online and Direct Media
3. **Minimizing cost of sales** and developing marketing partner model with SMEs
4. Leveraging **tech, data and content** for DOoH by Online and Direct Media

We stay fully on Track with our organic long-term Growth Strategy

1. Full focus on Germany & divestment of non-core businesses
2. CAPEX: Continuous investment in digitization of inventory (i.e. roadside) and limited M&A (only bolt on)
3. OPEX: Accelerated investment in both regional and local sales force parallel to OOH^{+}national sales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