

PRESS RELEASE

Annual report 2018: Ströer confirms record result

- **Consolidated revenue mushrooms 23% from EUR 1.3b to EUR 1.6b**
- **Operational EBITDA climbs 14% from EUR 475m to EUR 543m**
- **Adjusted profit for the period up 15% from EUR 173m to EUR 200m**
- **Proposal to increase the dividend to EUR 2.00**

Cologne, 27 March 2019 Ströer is confirming the preliminary results announced in February for fiscal year 2018: Annual revenue has grown by 23% from EUR 1.3b to EUR 1.6b with organic revenue growth of around 8%. Operational EBITDA increased by a very substantial 14%, up from EUR 475m to EUR 543m. Adjusted profit for the period developed very well once again, climbing 15% from EUR 173m to EUR 200m. The leverage ratio remained stable at 1.4.

Against the background of the new “Out-of-Home plus” strategy (OOH plus) and the positive business performance for the 25th consecutive quarter, which is expected to continue in the future, the Company is restructuring its current dividend policy and increasing the payout ratio to between 50% and 75% of adjusted profit and plans to propose to the shareholder meeting an increase in the dividend from EUR 1.30 to EUR 2.00. This adjustment reflects the expected, structural and sustainable growth of the German out-of-home advertising market and Ströer’s business model which is geared toward long-term growth with its successful “OOH plus” strategy. Ströer expects the structural upward trend for OOH, which is being driven mainly by the ongoing digitalization, to continue for at least another 10 years with growth rates of around 5%. In order to ensure growth at the upper end of the expected structural market growth and increase the utilization of its infrastructure inventory, Ströer, as the first nationally operating OOH player, has developed a new growth strategy “OOH plus,” which enables better and above all more direct customer access.

“The positive development of our key indicators over the past 25 quarters clearly demonstrates the stability and extremely low cyclical nature of our business.” said Udo Müller, founder and Co-CEO of Ströer.

“Given our “OOH plus” strategy, we expect the structural upward trend for OOH, which is being driven by the ongoing digitalization, to continue for at least another 10 years with sustainable growth rates of around 5%,” said Christian Schmalzl, Co-CEO of Ströer.

Operating segments

OOH Media

Revenue in the OOH Media segment rose 12% from EUR 590m to EUR 664m (adjusted for IFRS 11) in fiscal year 2018. Overall, the segment lifted its operational EBITDA 5% in fiscal year 2018, up from EUR 295m to EUR 310m (adjusted for IFRS 11 and IFRS 16) and generated an operational EBITDA margin of 46.7% (prior year: 49.9% (adjusted for IFRS 11 and IFRS 16)).

Digital OOH & Content

In fiscal year 2018, the Digital OOH & Content segment, including its core business DOOH (public video) saw its revenue climb by more than 7%, up from EUR 528m to EUR 567m. Operational EBITDA increased by more than 8% from EUR 179m to EUR 194m (adjusted for IFRS 16). The operational EBITDA margin came to 34.2% (prior year: 33.9% (adjusted for IFRS 16)).

Direct Media

Segment revenue for Direct Media climbed substantially in fiscal year 2018, up from EUR 190m to EUR 378m. Operational EBITDA increased from EUR 21m to EUR 55m (adjusted for IFRS 16). At 14.6%, the segment's operational EBITDA margin improved tangibly (prior year: 11.0% (adjusted for IFRS 16)). As Ströer continued to add to and expand its performance-driven dialog marketing business in 2018, the segment figures, as a whole, can only be compared with those of prior years to a limited extent.

See the Annual Report for further information:

<http://ir.stroeer.com/websites/stroeer/English/5100/financial-reports.html>

THE GROUP'S FINANCIAL FIGURES AT A GLANCE

Continued Operations

<p>Revenue</p> <p>EUR 1,582.5m</p> <p>(prior year: EUR 1,283.0m)</p> <p>SEGMENT REVENUE In EUR m</p> <table border="1"> <caption>Segment Revenue Data</caption> <thead> <tr> <th>Segment</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>OOH Media</td> <td>590.0</td> <td>663.7</td> </tr> <tr> <td>Digital OOH & Content</td> <td>528.1</td> <td>567.0</td> </tr> <tr> <td>Direct Media</td> <td>190.1</td> <td>377.7</td> </tr> </tbody> </table>	Segment	2017	2018	OOH Media	590.0	663.7	Digital OOH & Content	528.1	567.0	Direct Media	190.1	377.7	<p>OPERATIONAL EBITDA</p> <p>EUR 543.4m (prior year: EUR 475.4m)</p> <hr/> <p>ORGANIC REVENUE GROWTH</p> <p>7.6% (prior year: 9.2%)</p> <hr/> <p>FREE CASH FLOW BEFORE M&A TRANSACTIONS</p> <p>EUR 306.4m (prior year: EUR 285.7m)</p>	<p>OPERATIONAL EBITDA-MARGIN</p> <p>34.3% (prior year: 37.0%)</p> <hr/> <p>ADJUSTED EARNINGS PER SHARE</p> <p>EUR 3.42 (prior year: EUR 3.07)</p> <hr/> <p>ROCE</p> <p>19.3% (prior year: 18.2%)</p>
Segment	2017	2018												
OOH Media	590.0	663.7												
Digital OOH & Content	528.1	567.0												
Direct Media	190.1	377.7												

In EUR m	After adjustment for IFRS 11 and IFRS 16 2018 ¹⁾	After adjustment for IFRS 11 and IFRS 16 2017 ¹⁾	Before adjustment for IFRS 11 and IFRS 16 2018	Before adjustment for IFRS 11 and IFRS 16 2017
Revenue (reported)	1,582.5	1,283.0	1,582.5	1,283.0
IFRS 11 adjustment	-	-	14.0	14.0
Revenue (management View)	1,582.5	1,283.0	1,596.5	1,297.1
Operational EBITDA	543.4	475.4	367.8	326.7
Adjustment effects	28.9	13.3	29.5	15.1
IFRS 11 adjustment	-	-	5.3	5.1
EBITDA	514.4	462.1	333.1	306.5
Amortization, depreciation and impairment losses	344.1	306.7	173.2	162.8
thereof attributable to purchase price allocations and impairment losses	68.8	64.4	70.1	65.6
EBIT	170.3	155.4	159.9	143.7
Financial result	34.1	28.7	12.7	7.9
EBT	136.2	126.7	147.2	135.8
Taxes	22.0	16.4	25.2	19.8
Consolidated profit for the period	114.2	110.3	122.0	116.0
Adjusted consolidated profit for the period	199.6	172.9	213.0	185.7
Free cash flow (before M&A transactions)	306.4	285.7	151.0	145.5
Net Debt (31 Dec) ²⁾	517.7	463.9	512.1	457.1

1) The "IFRS 11 adjustment" relates to the alignment of the internal reporting to the external reporting. This alignment had an effect on several non-GAAP KPIs. The "IFRS 16 adjustment" results from the first-time application of this new standard.

2) The calculation of the Ströer Group's net debt is based on its existing loan agreements with lending banks and, hence, the introduction of IFRS 16 had no impact in this regard. Against this background only the "IFRS 11 adjustment" had an impact on net debt.

About Ströer

Ströer is a leading German provider of out-of-home media and offers advertising customers individualized and fully integrated, end-to-end solutions along the entire marketing and sales value chain. With its "OOH plus" strategy, Ströer is focusing on the strengths of the OOH business, underpinned by the Digital OOH & Content and Direct Media segments. With this combination, the Company is in a position to continue expanding its customer relevance and, thanks to its strong market share and long-term contracts on the German market, has an excellent basis from which it can continue to reap more than its share of market growth over 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 segment. The portfolio includes all forms of out-of-home media – from traditional poster media and exclusive advertising rights at train stations through to digital out-of-home media. Our core business is supported by the Digital OOH & Content and Direct Media segments. With dialog marketing, Ströer offers its customers wrap-around 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 approximately 13,000 employees at over 100 locations. In fiscal year 2018, Ströer generated revenue of EUR 1.6b. Ströer SE & Co. KGaA is listed in Deutsche Börse's SDAX.

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

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