



STRÖER

Structural Change & Digitalization

September 23, 2019 | Ströer SE & Co. KGaA

Agenda

01

Structural Change

02

20 years of preparation
-Ready for the digital take-off-

- Location
- Hardware
- Sales Strategy & Timing
- Tech know how
- DOOH market landscape

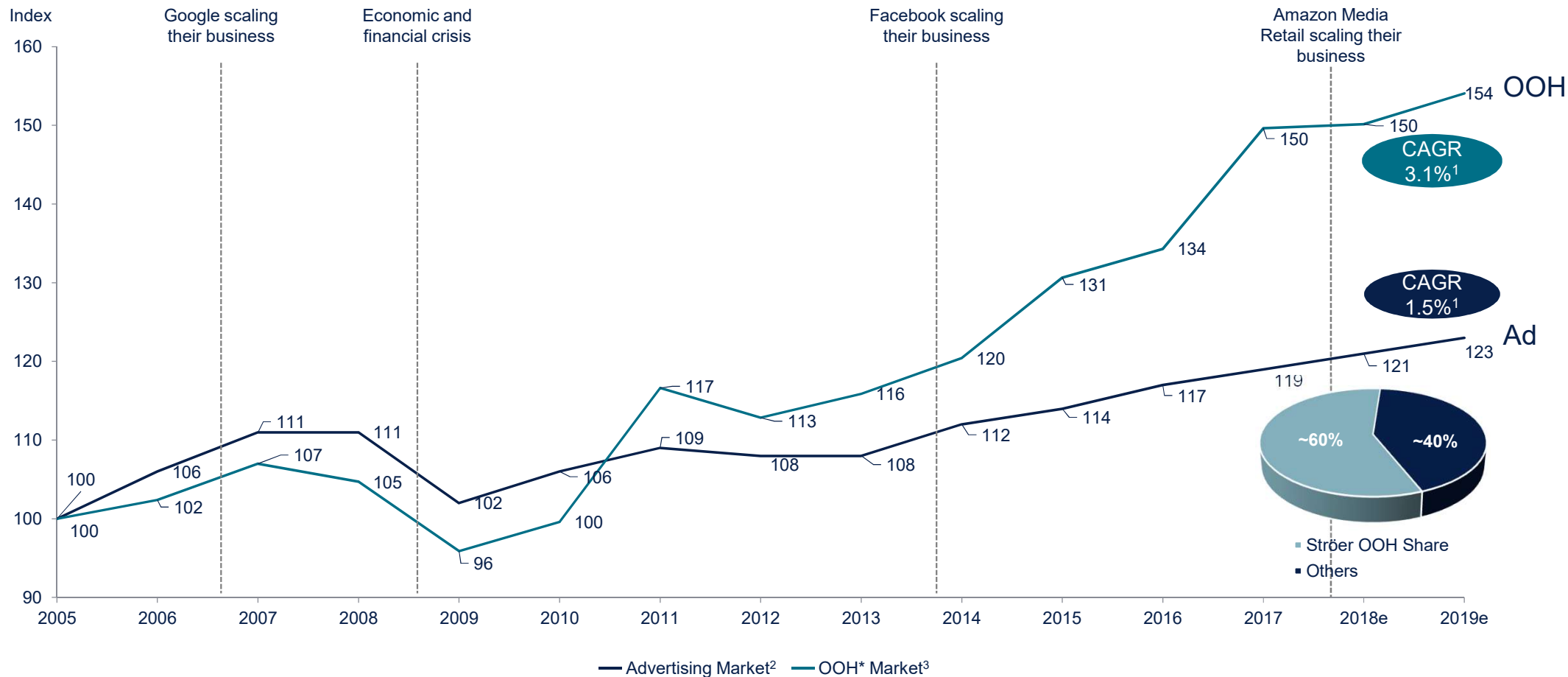
03

Statista

Building a DaaS Unicorn

OOH Market outperforming Ad Market – Ströer with unique Position

Index 2005 = 100



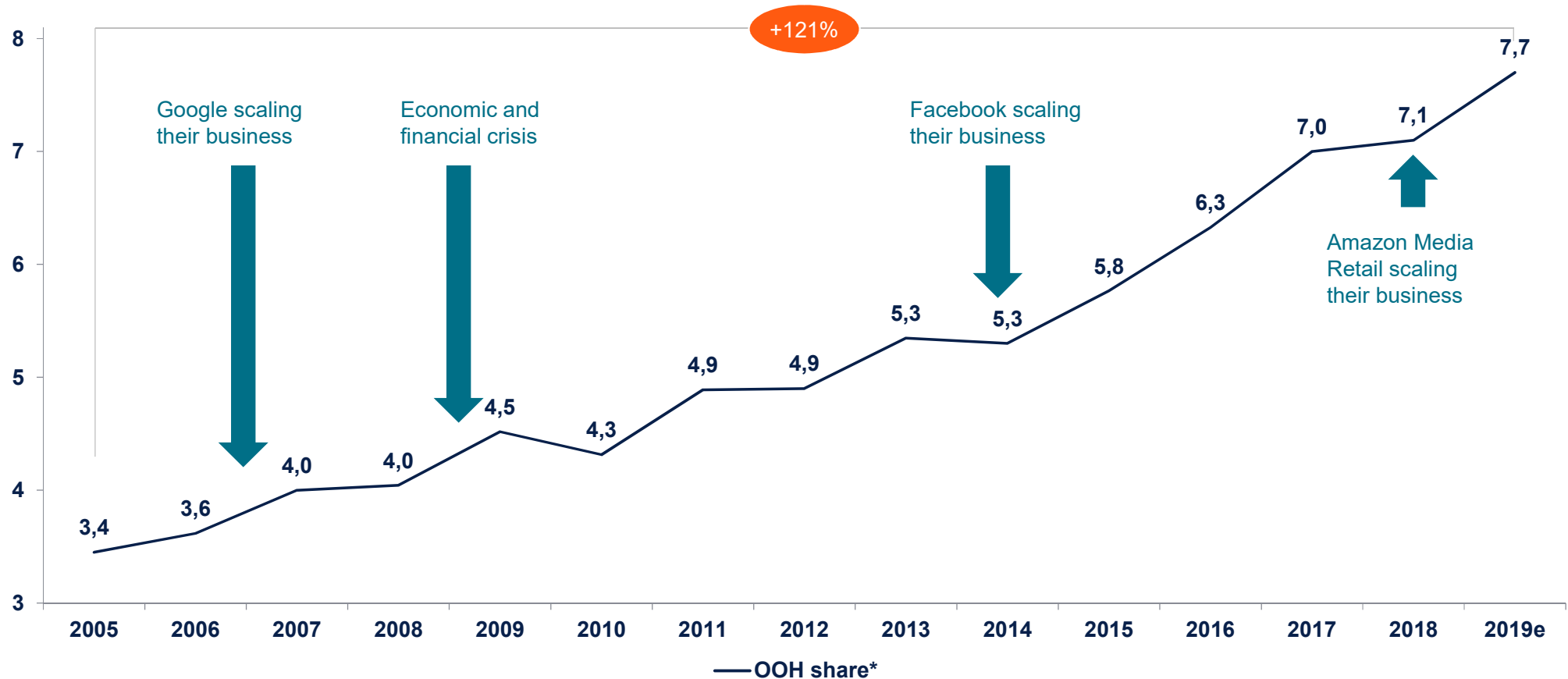
¹CAGR 2005 – 2019e

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

**ZAW, Ströer Data

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

Market share of total ad market in %



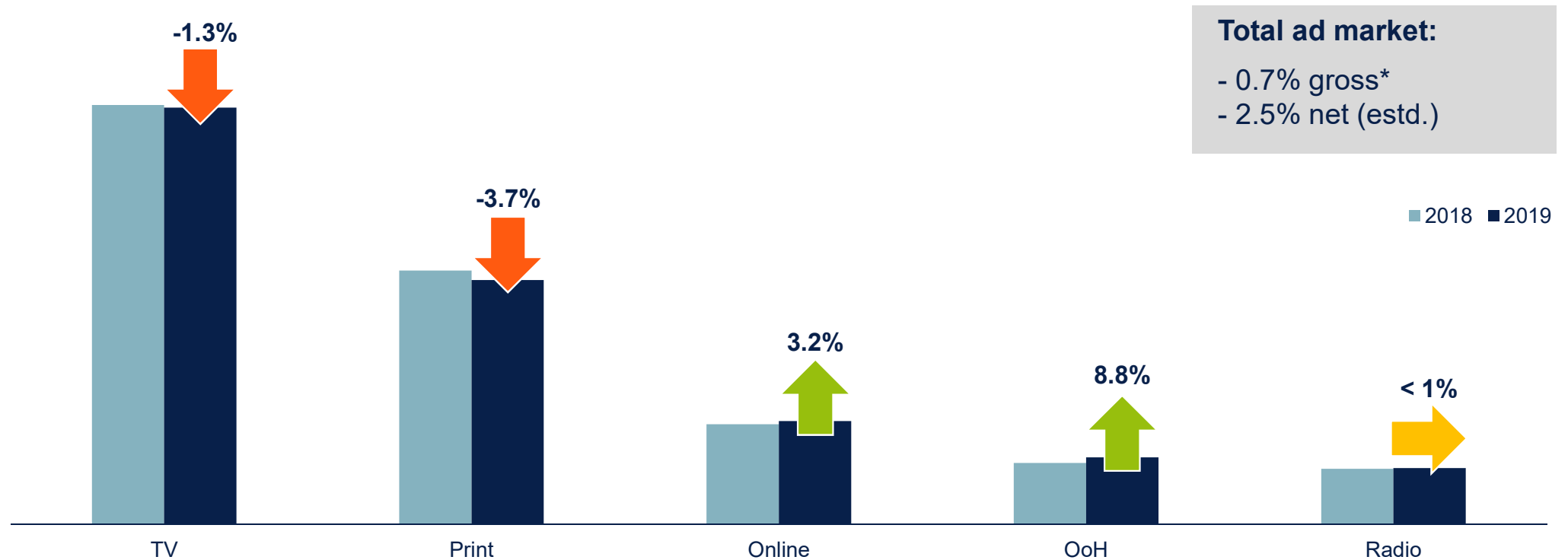
Source: Nielsen Media Research, gross advertising without advertising mail

*OOH incl. billboard, transport media incl. Public Video and Infoscreen, at-retail-media incl. Mall Video, ambient media

Tectonic Shifts in classic German Media Landscape

Decline of Print going on, decline of TV becoming visible – OoH wins significantly

German advertising market Q1-Q2 2018 vs. Q1-Q2 2019

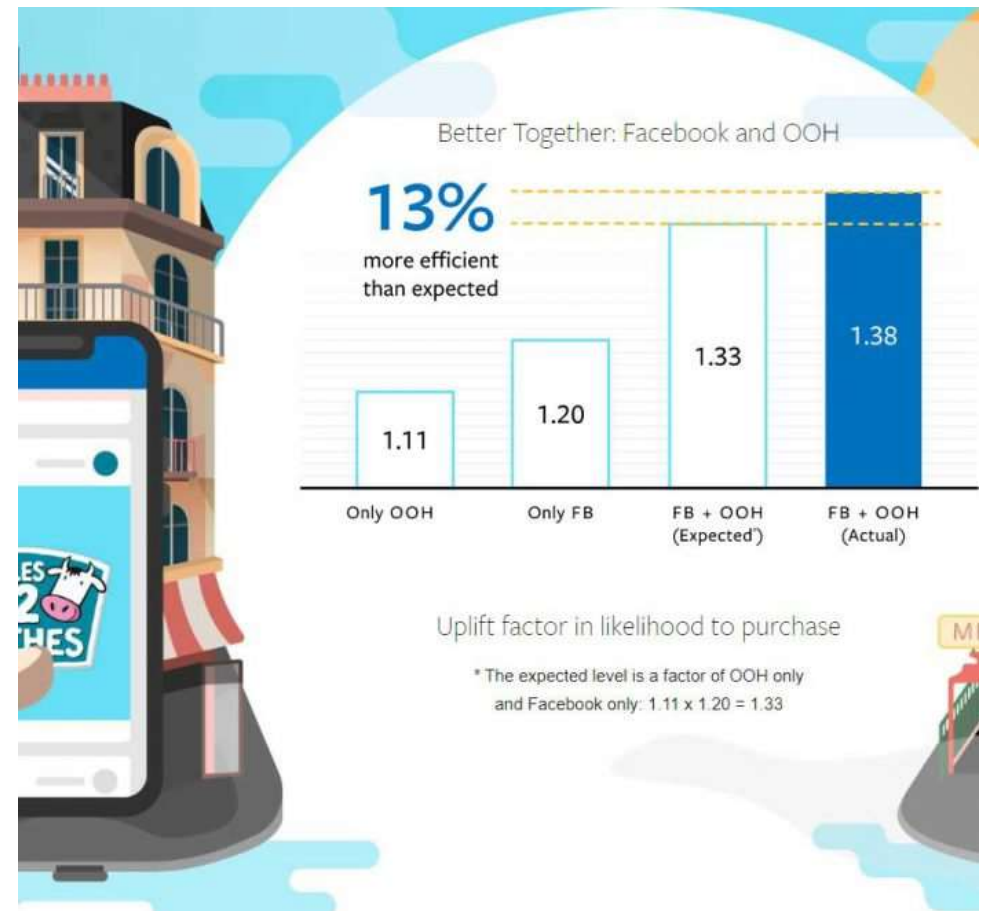


Source: Nielsen Media Research Gross Advertising (Germany); *Nielsen

Better together: Facebook and OOH

More efficient than expected

- 38% in the US have visited a Facebook Page or posted on FB after seeing an OOH ad, 25% have posted to Instagram
- Also applies for Germany
- Using a combination of the two channels extends the reach of campaigns to a broader and younger audience, advertisers reach more efficiently their objectives.
- Comparing different approaches, using both Facebook and OOH ads worked best –the combined impact is **13% more efficient** than expected and **15% more efficient than Facebook** only.
- In addition to influencing consideration, Facebook and OOH also have a strong impact on buying.



Two Key Business Approaches with a very different Profile

LOCAL HEROES



VS



GLOBAL CHAMPIONS

- Local market specification know-how
- Local execution quality
- Local do-it-for-you solutions with strong local client access

- Global tech-based standardisation
- Global premium content rights
- Global data-supported network effects

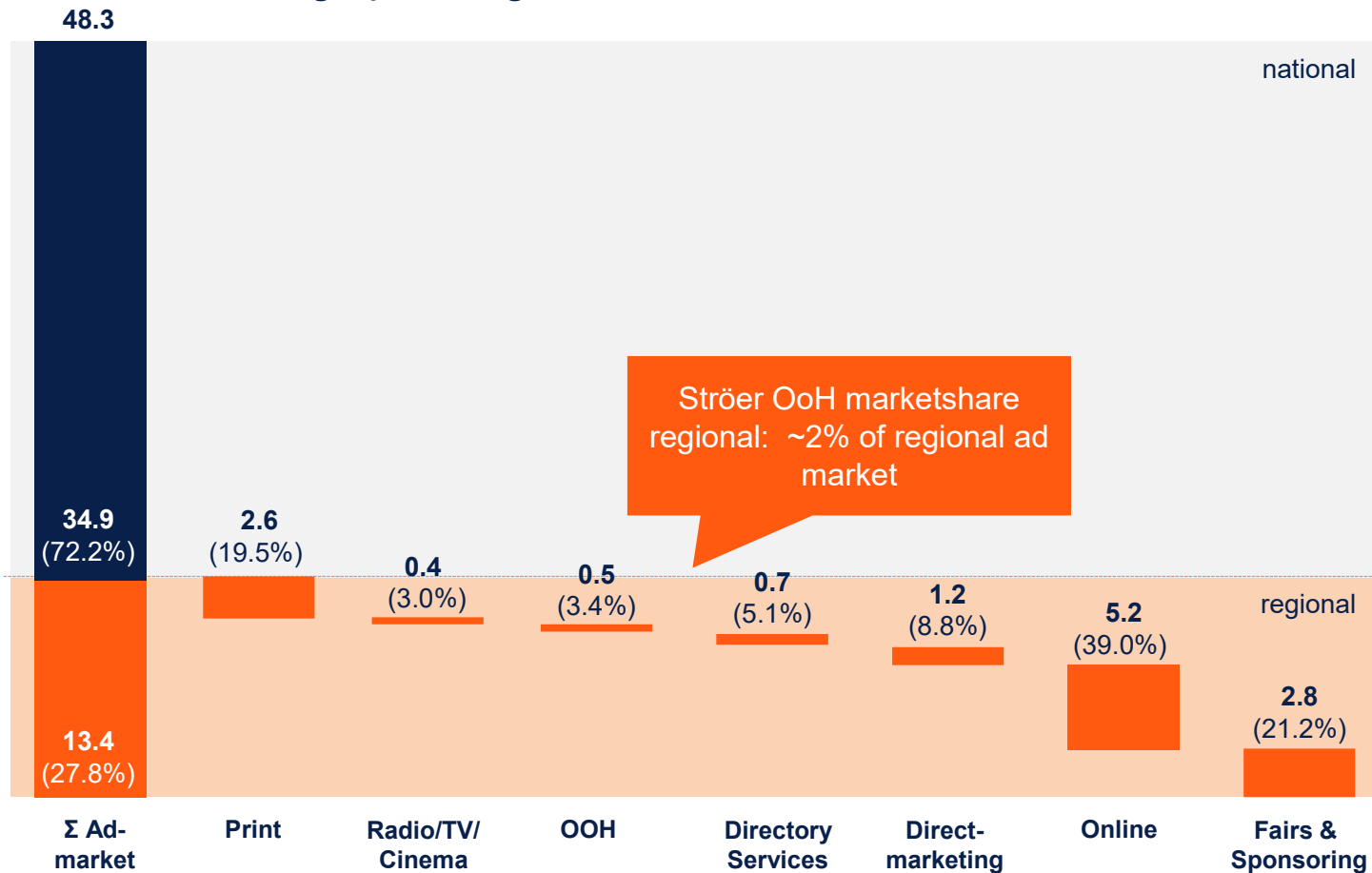
Strong barrier to entry

Strong barrier to entry

Market View: Quantitative Analysis

Almost 30% of the advertising market is regional expenditure

Net advertising spendings in € billion



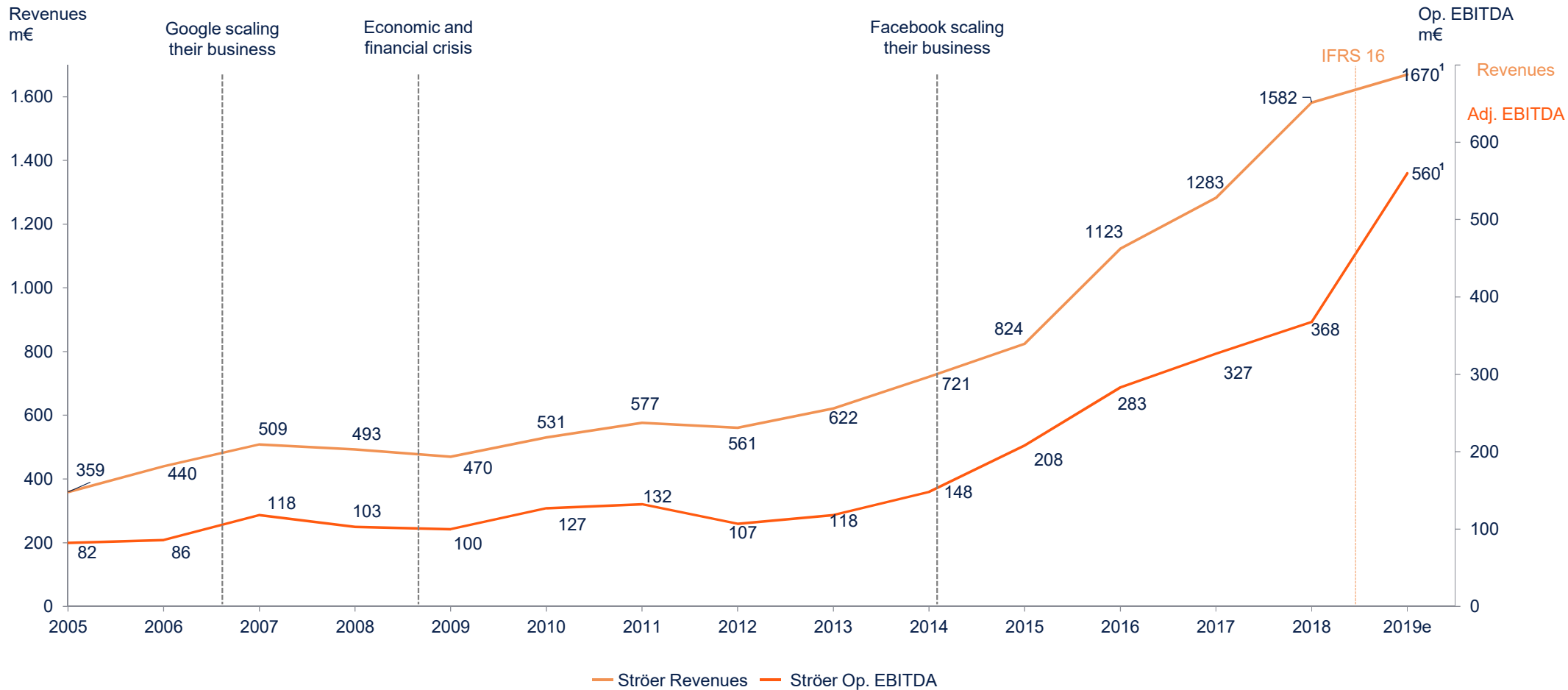
Determination of regional advertising spendings by category:

Proportion of regional expenditure in categories based on the Schickler Media Index

Deduction on the basis of:

- Studies & Publications
- Project experience Schickler
- market assessments
- Ongoing updates of the Schickler market model

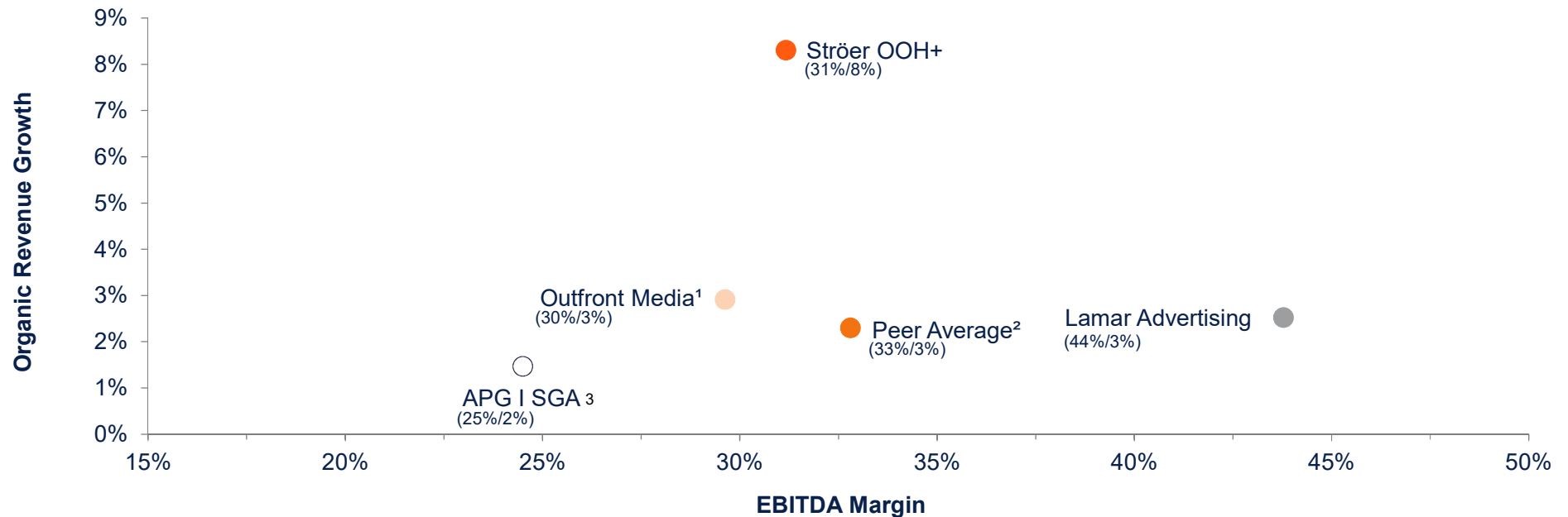
Steep and steady Growth of Ströer's core financial KPIs



¹ Consensus as of 9/2019, Adj. EBITDAe incl. IFRS 16
Source: Ströer Data

Margin & Growth Profile: Unique Positioning amongst national Peers

Organic revenue growth Av. (2014A – 2018A) vs. op. EBITDA margin Av. (2014A – 2018A)



op. EBITDA Margin

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, 2015A and 2018A only). ³ Organic revenue growth based on 2014A, 2015A and 2018A. 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.

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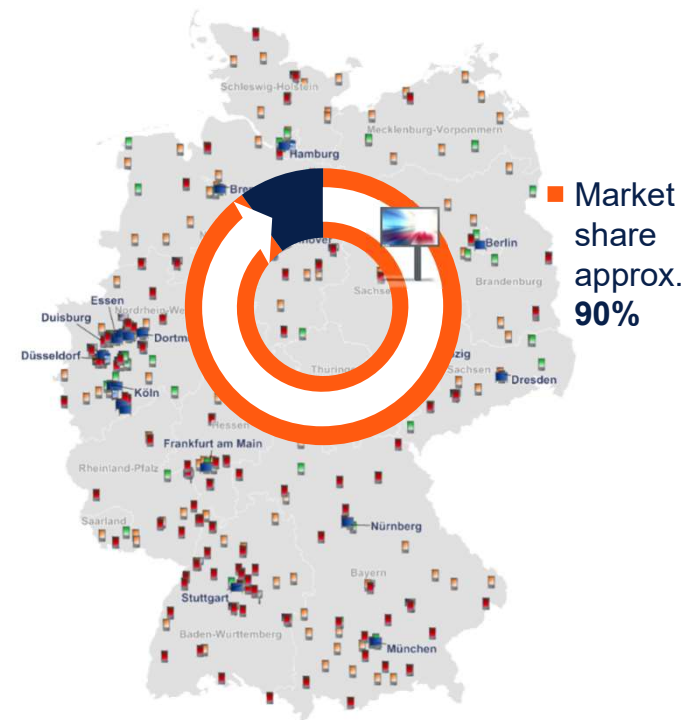
Location

Roadside – 20 years of securing locations

Portfolio Development Since 1998



Total Ströer share of large format premium locations*



Source: Ströer data; * Premium locations for >9 sqm Megalight /Digital Screens

Location Marketplace – Train stations & Malls

**INFOSCREEN
Acquisition**



**DERG
Acquisition**



**Building up
Public Video Network**



**ECE Flatmedia
Take-over**



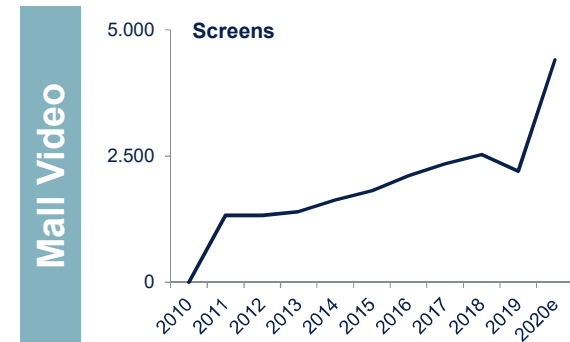
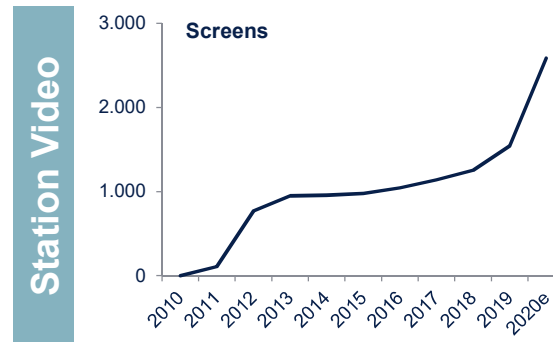
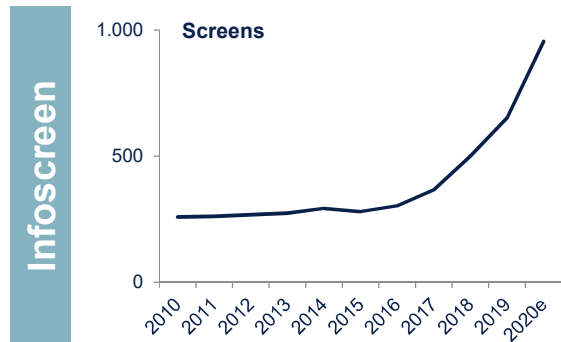
2004

2005

2011

2012

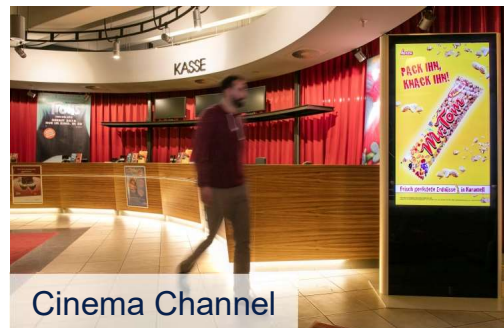
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Location

POS – UAM is the dominating player in DOOH longtail

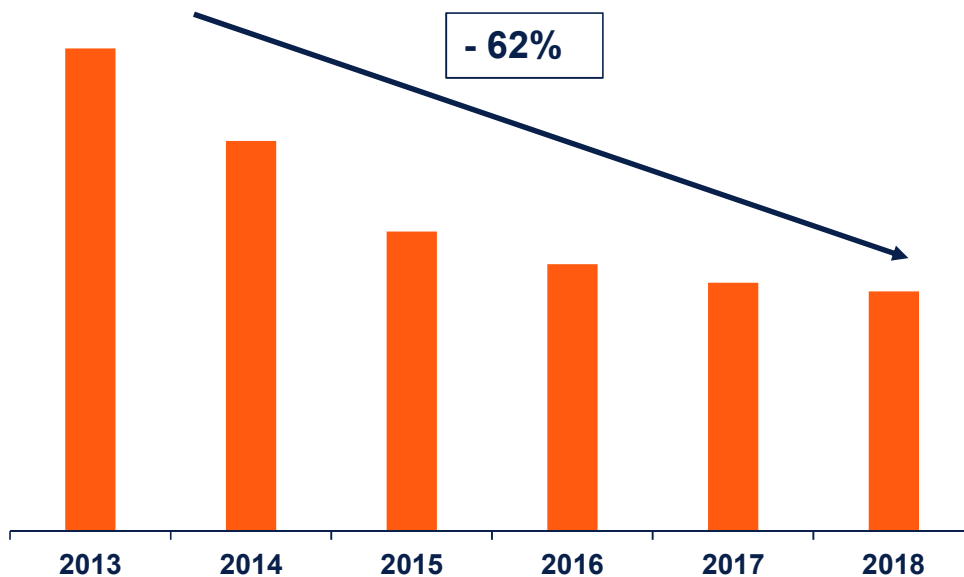
POS/Digital Signage: 73,000 screens in total



Hardware

Foundation of R&D and Sourcing office in China 10 years ago

Panel Price Development



- Ströer uses own sourcing with priority Shanghai office (under native management, 100% Ströer employed)
- Prices for high quality LED Screens are constantly declining → more locations become efficient due to decreasing CAPEX per location



Hardware

Building up own sourcing expertise in China

Foundation R&D Office

- Setup of R&D and Sourcing Office in People Republic of China
- Access to the largest LED manufacturing market
- Developing proprietary solutions
- Building up own Tech expertise

Start in 2009

Germany is the digitally less penetrated OOH market in Europe.



Ströer has waited for the tipping point in panel prices to accelerate digitalization.



Sales Strategy & Timing

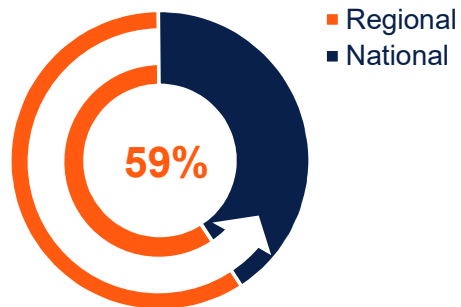
Building the only national sales force for local ad products globally

Strong growth of local & digital sales force

Sales team/FTEs	2016	2017	2018	e2019	e2020
Regional consultants	89	118	139	153+	160+
Local sales	243	284	340	670+	850+
“Digital only” consultants	62	58	107	151+	160+
Ströer SME only call center agents	40	35	45	65	70+
TOTAL	434	605	821	1,039+	1,235+

Local Market Know-How and execution quality
Local presence enables short routes to the customer

Ströer customer mix (OoH revenues)



Sales Strategy & Timing

Local Sales maximizes Monetization of digital roadside Assets without cannibalization



Tech know how

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

Historic developments and long-term market education

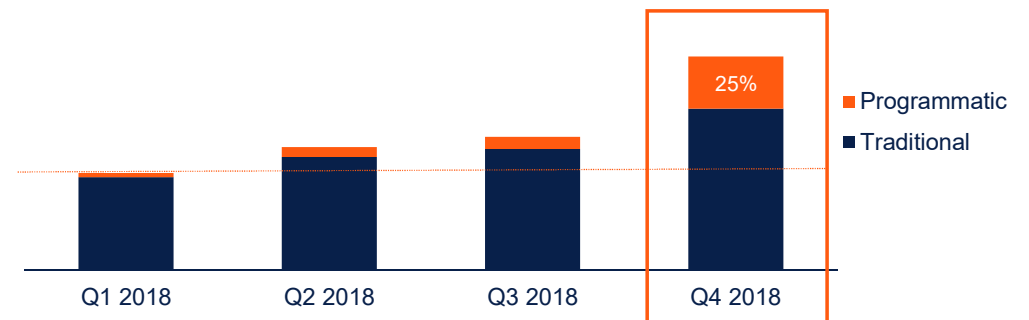
- 2016 (HY 2): First beta test with Vivaki and Active Agent to test market acceptance and define tech design
- 2017: Optimisation of DDoH playout systems parallel to synchronisation with online logics (e.g. 1:1 vs. 1:many) to develop scalable technological setup
- 2018: Continuous integration of market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

Broad range of DSPs integrated since mid 2018



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

Absolute & relative development of revenue streams



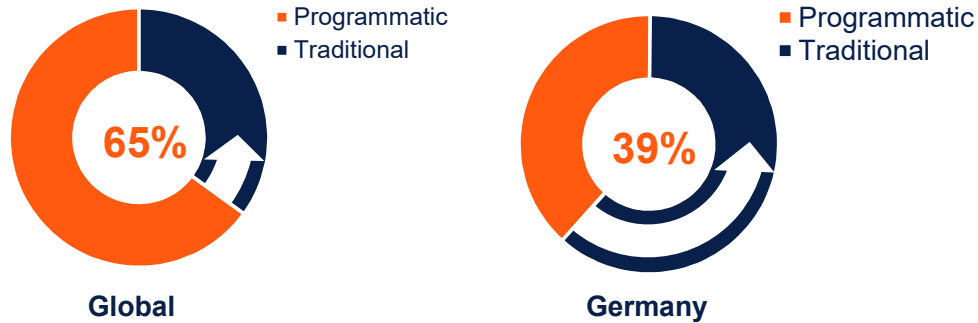
Current features & product roadmap

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

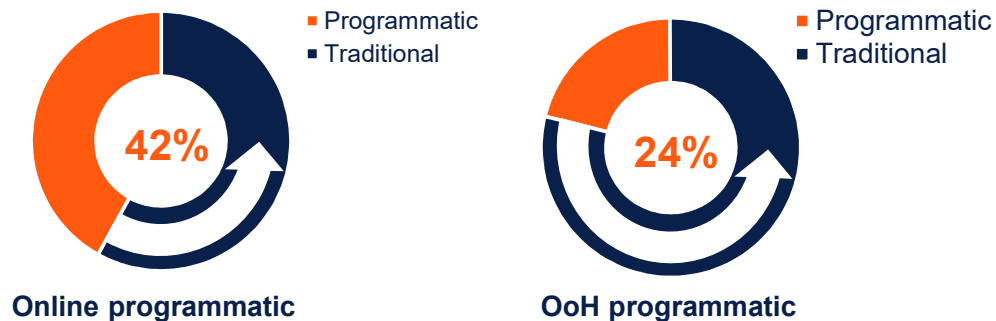
Tech know how

Digital Dividend pays off - Incremental programmatic revenues

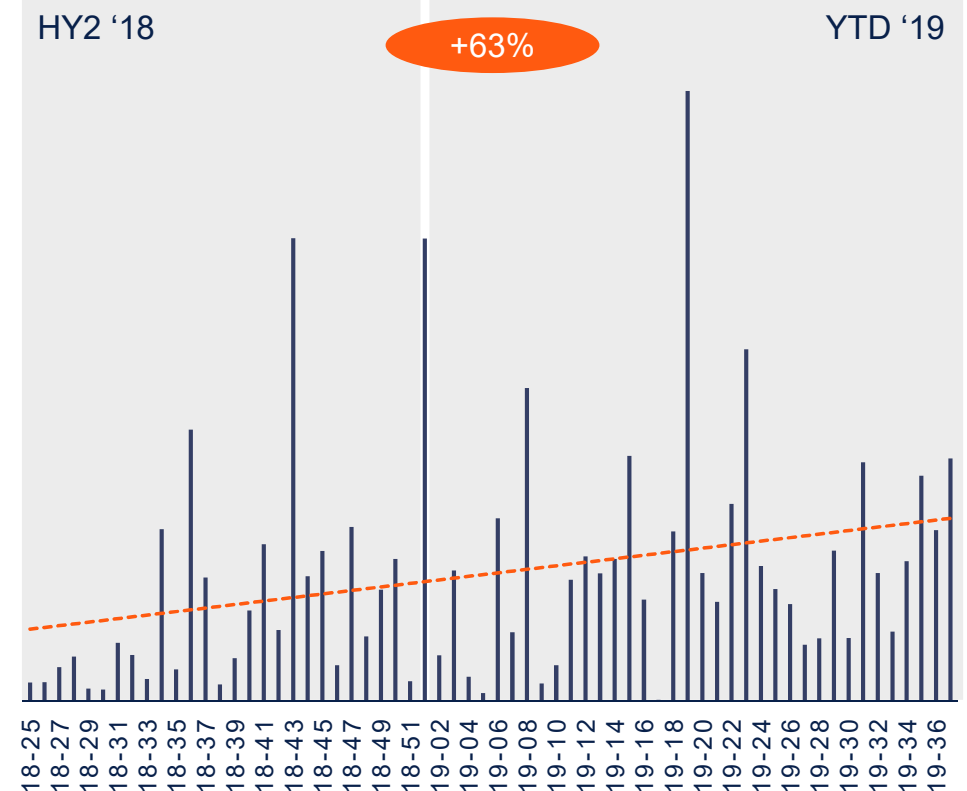
Global digital programmatic ad spends 2019*



Ströer programmatic share in 2019**



Programmatic Public Video 27/2018 – 37/2019 Sustainable growth of bookings



Source: *Zenith Programmatic Marketing Forecast 2019; **Ströer data


Tech know how

OS Data Solutions - Products & Solutions


Targeting

- Over 50 Mio. UU 
- Retail & intent data 
- Varied affinities
- Socio-demographic data
- Lookalike modelling
- Branding & performance orientated

Data Only

- High-quality first party data for programmatic campaigns for agencies and direct customers
 - High reach for target group
 - Individual consulting
- 

Insights

- Insight into customer structures and motivations
 - Analysis of brand interests
 - Identification of relevant target groups
- 


Audience Measurement

- Proof of quality and effectiveness
- Reach of the campaign target group
- Reduction of spreading loss
- Increase of campaign efficiency

Customized Services

- Customized audiences
- Generating individual insights
- Consulting by data experts with many years of professional experience

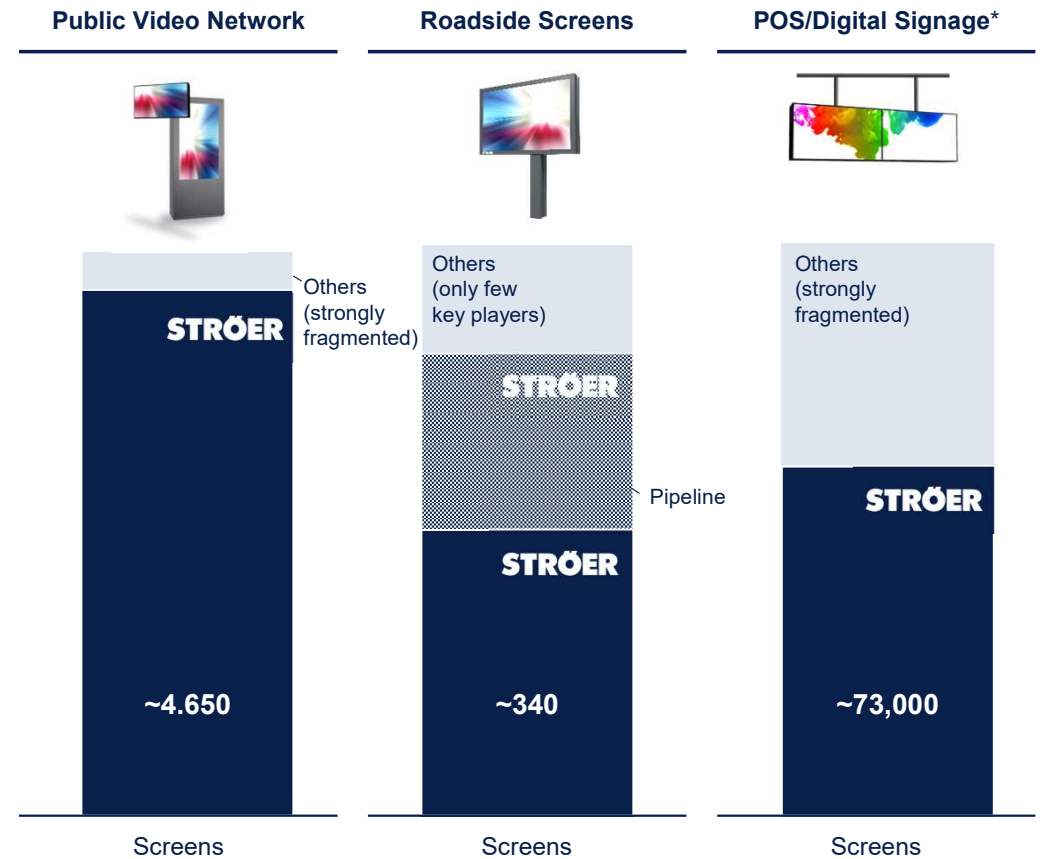
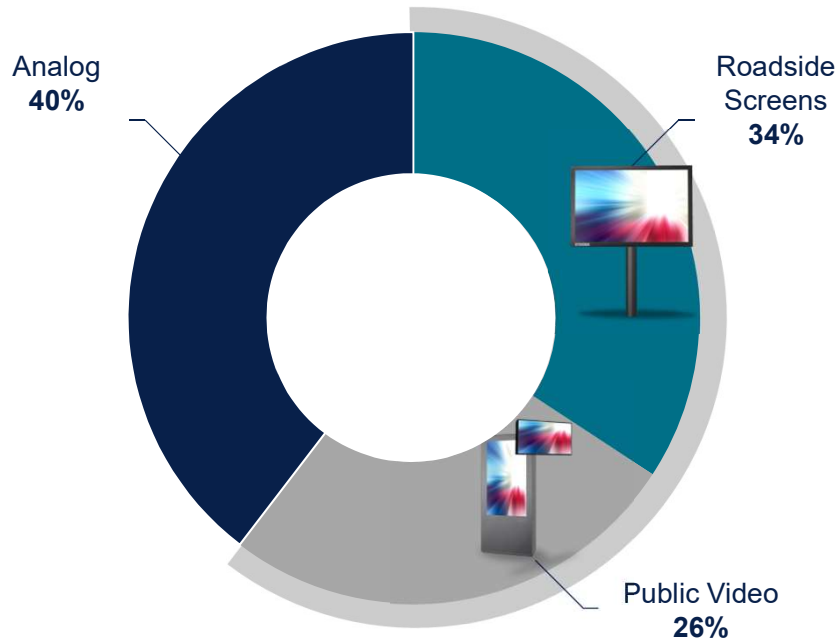
CRM Onboarding

- Cookie pools based on offline or CRM data
 - E-Mail and postal CRM onboarding
 - Highest data protection standards
- 

DOOH Market landscape

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

Investment volume OoH
Clear focus on digitization of inventory



Source: Ströer data, https://www.dmi-org.com/downloads/Digital_Out_of_Home_Standorte_Screens.pdf; *excluding rights of promotion

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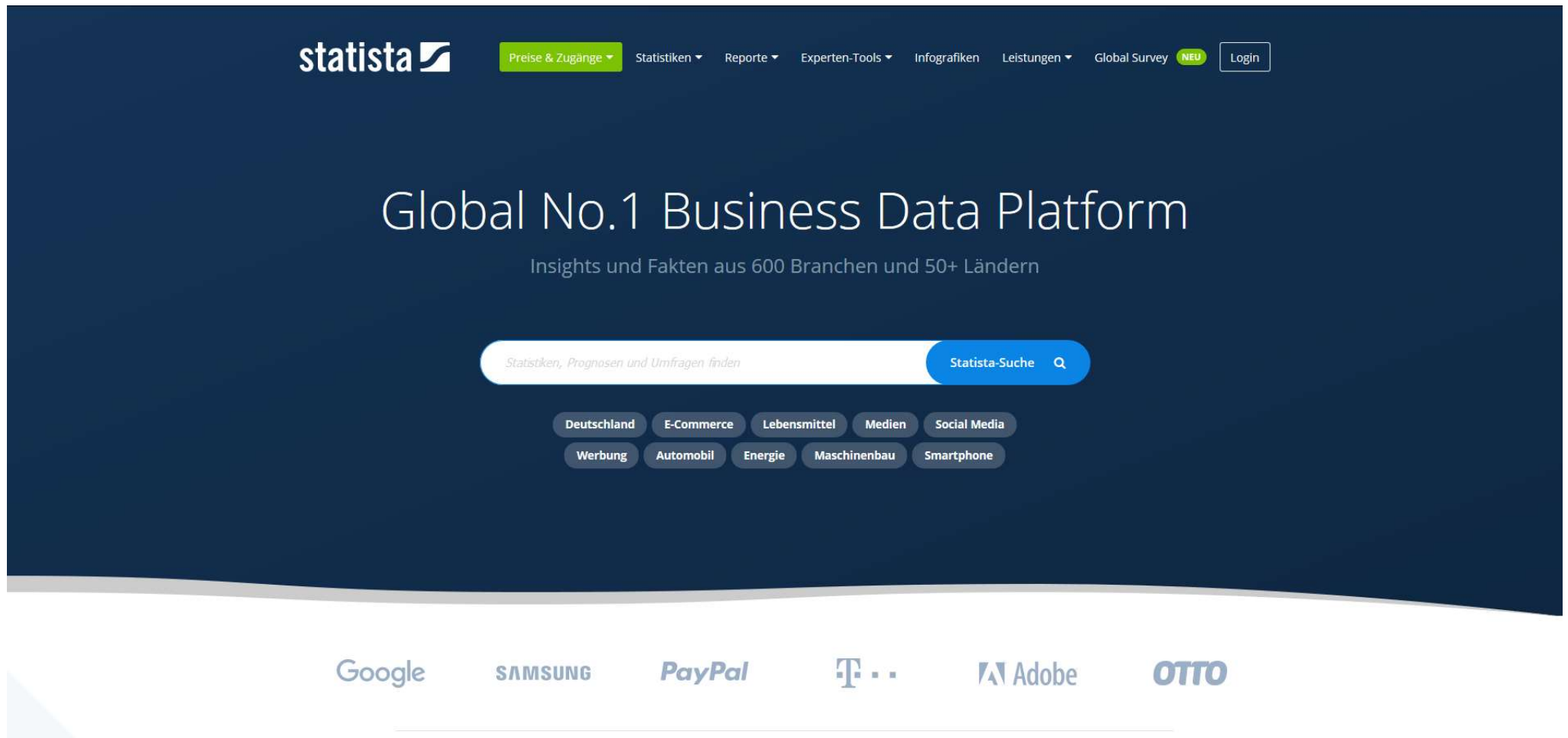
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Statista

Building a DaaS Unicorn

Statista

Building a global DaaS Unicorn



Building a global DaaS Unicorn

Statista is the leading global Data as a Service (DaaS) Business

Statista – Overview

Statista business model is based on:

- Subscription-based data marketplace with low churn
- Highly profitable with mid double-digit organic growth
- A global Blue Chip customer base across all key industries
- No direct competition

6 offices in international hubs



22,500



sources

Thereof 50% exclusive
35% exclusive secondary
15% free accessible secondary sources

40



countries

Top 4 countries:
USA, UK, Germany, Asia
US largest market since 2019

80,000



topics

on statista.com

8.5 million



unique visitors

monthly on our German and
international websites

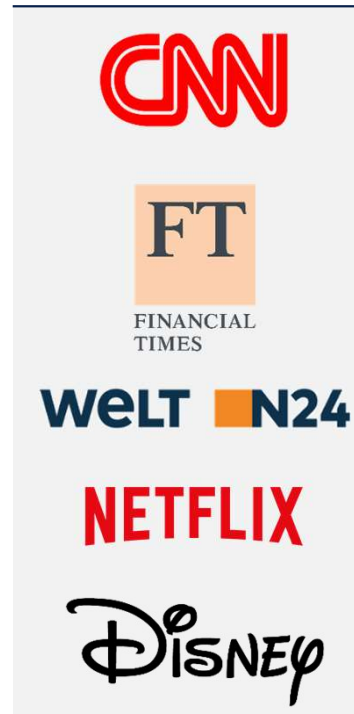
Building a global DaaS Unicorn

Statista is the leading global Data as a Service (DaaS) Business

Tech



Media



Consulting



Corporate



Public Sector

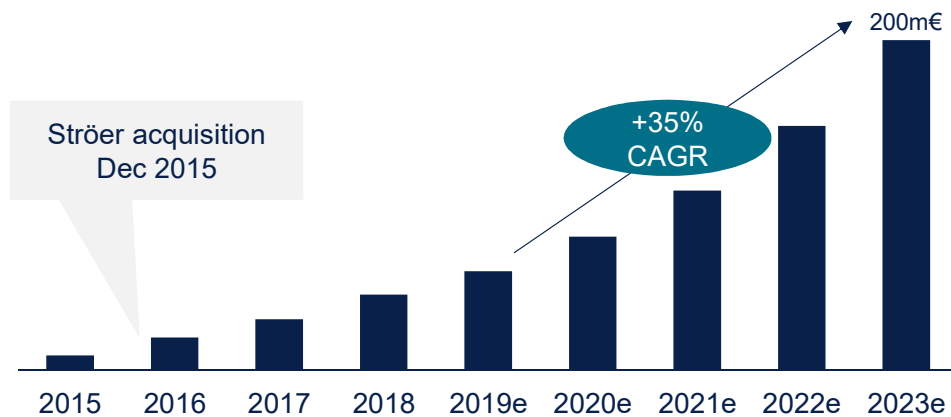


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Statista – KPIs

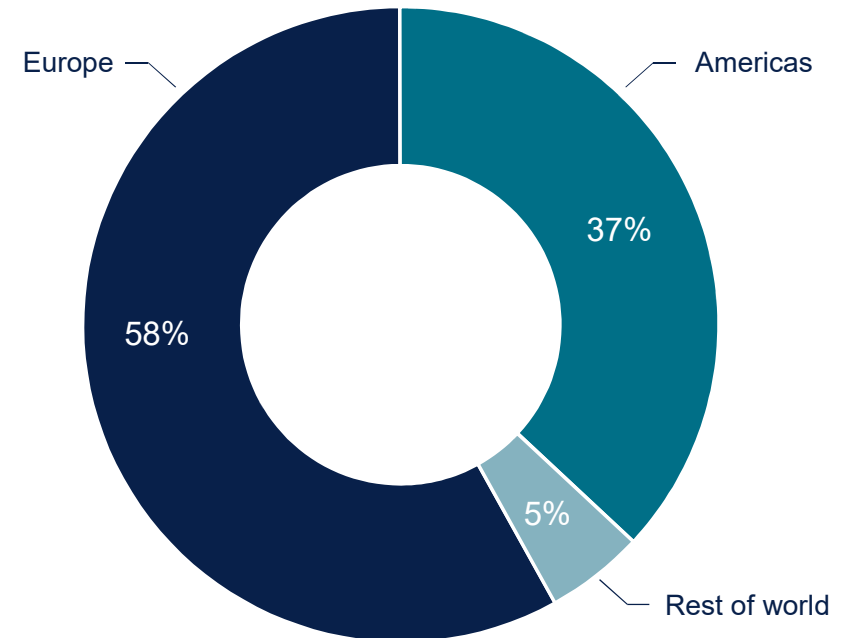
Revenue



- Strong upside potential for both, number of users and ARPU
- 1.7 million registered user: CAGR 2015 – 2019e of 35%
- In developed markets we expect EBITDA margins in the mid thirties

More than 60% of sales generated outside Germany

Share of account sales in 2018 (% of total)*



* Non-GAAP sales according to management reporting. No deferral of unrealised income; CAGR = compounded annual growth rate

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