



STRÖER

Q3 2019

November 13, 2019 | Ströer SE & Co. KGaA

Agenda

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Outlook

Results 9M 2019 (continuing Operations)

m€		9M 2019	9M 2018	▲
Revenues	Reported	1,186.6	1,112.7	+7%
	Organic ⁽¹⁾	7.3%	8.1%	-0.8%pts
EBITDA (adjusted)		388.8	364.0	+7%
EBIT (adjusted)		173.4	164.6	+5%
Net income (adjusted) ⁽²⁾		126.4	119.2	+6%
Operating cash flow		279.1	226.0	+23%
Capex		78.9	88.9	-11%
		30 Sep 2019	30 Sep 2018	
Net financial debt (incl. lease obligations)		1,642.8	1,675.1	-2%

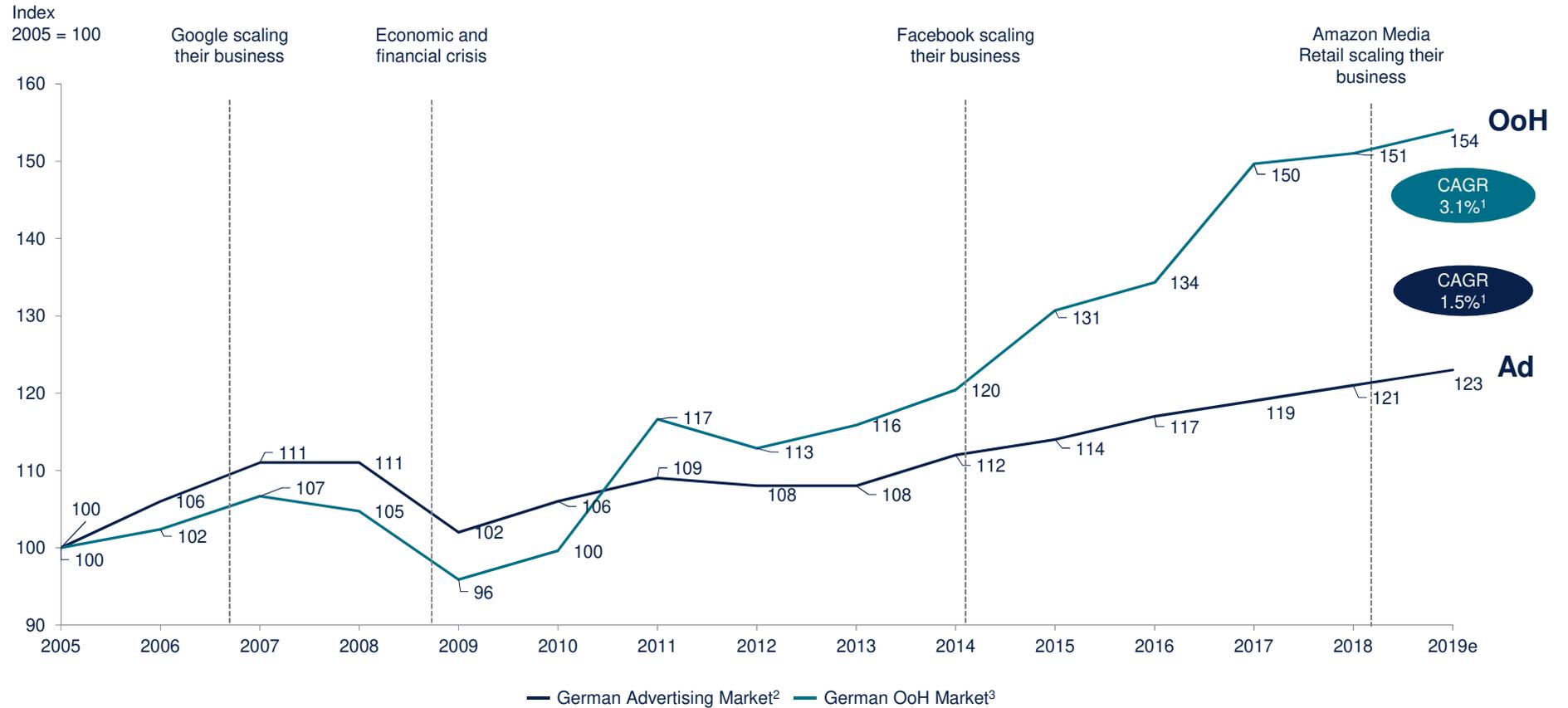
Note: Disposal of OoH Turkey classified as discontinued operations

(1) Excluding exchange rate effects and effects from (de)consolidation and discontinuation of operations

(2) 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 (applying a normalized tax rate of 15.8%)

OoH Market outperforming the German Ad Industry

Ströer with unique Position in a structurally growing Business



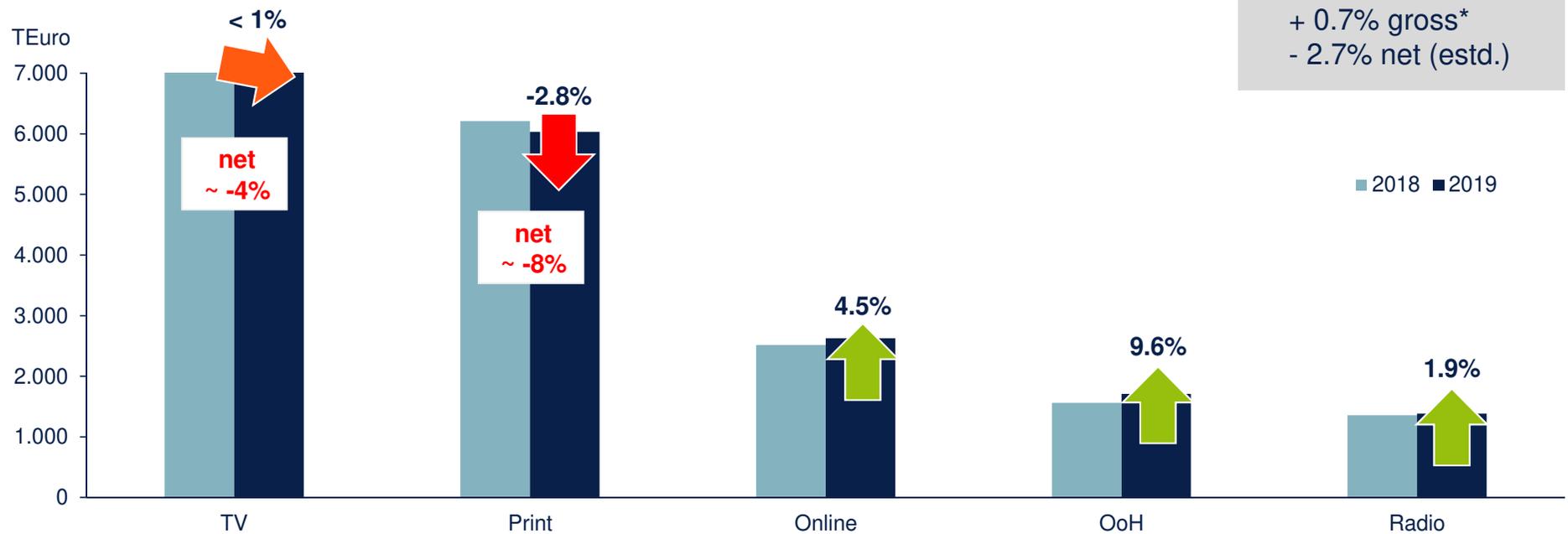
¹CAGR 2005 – 2019e | Source: ^{2,3}Zenith Media/ZAW net;

^{*}OoH incl. billboard, transport media incl. Public Video and Infoscreen, at-retail-media incl. Mall Video, ambient media; ^{**}Source: ZAW, Ströer Data

Tectonic Shifts in classic German Media Landscape

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

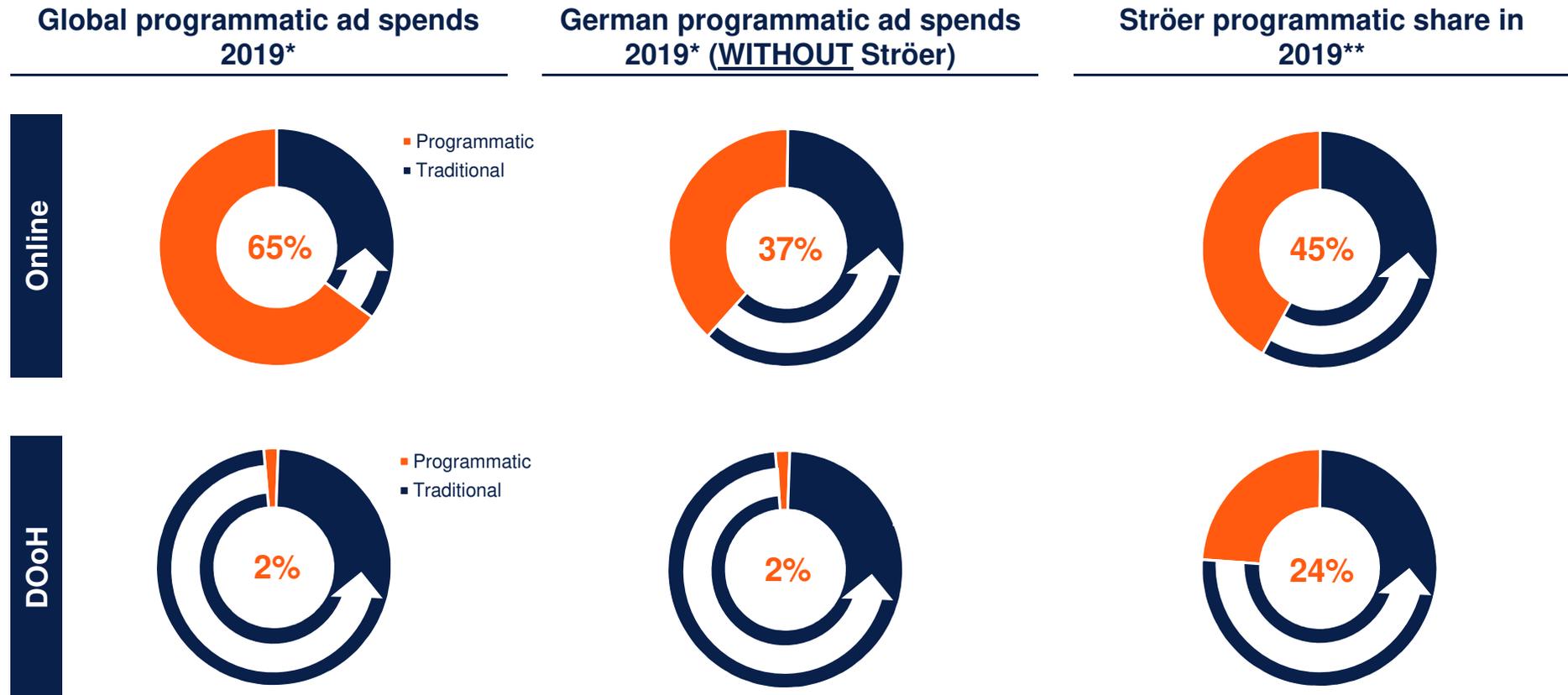
German advertising market Q1-Q3 2018 vs. Q1-Q3 2019



Source: Nielsen Media Research Gross Advertising (Germany); *Nielsen; PWC/ZAW/own estimates

Digital Dividend pays off (1)

Incremental programmatic Revenues from Online to Public Video (DOoH)

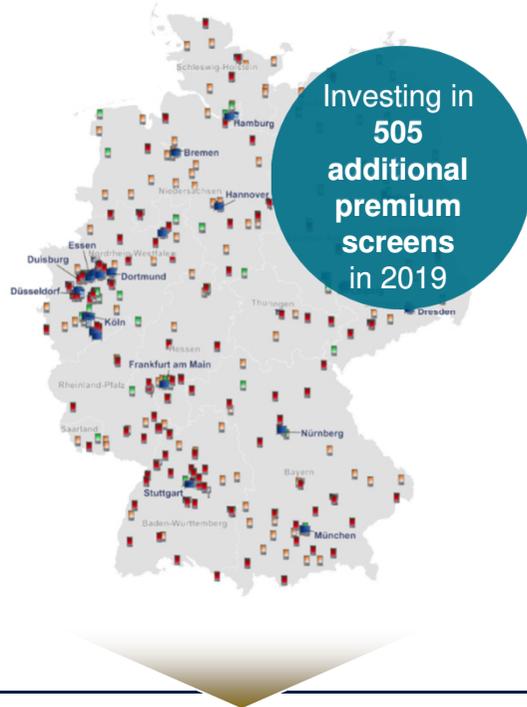


Source: *Zenith Programmatic Marketing Forecast 2019; **Ströer data

Digital Dividend pays off (2)

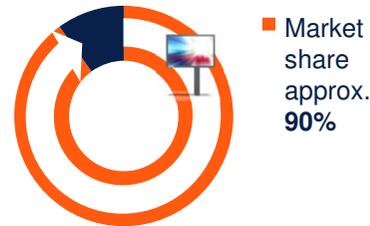
Long-term Portfolio Contracts converted into DOoH Assets

More than 5.000 Screens
(>90% indoor)

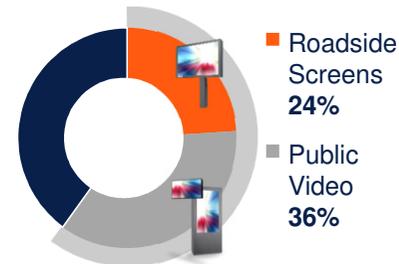


Indoor – almost completed

Total Ströer share of premium roadside locations*

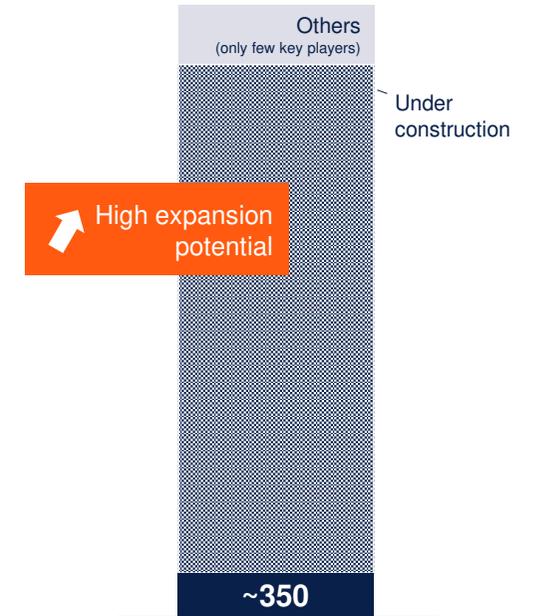


Investment volume OoH 2019
Clear focus on digitization of inventory



Roadside – at the beginning

Roadside Screens



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

Digital Dividend pays off (3)

Local Sales Approach maximizes Monetization of digital roadside Assets

>93% RSS revenues SMEs/signage



Focus on Sales & Performance in Direct Marketing

Reducing Service Share of Dialog Portfolio – tackling Results from GDPR

Door2Door Sales

- Strong development in last two years
- Structural tailwind expected for next 5 years
- Digitization of sales processes driving margin



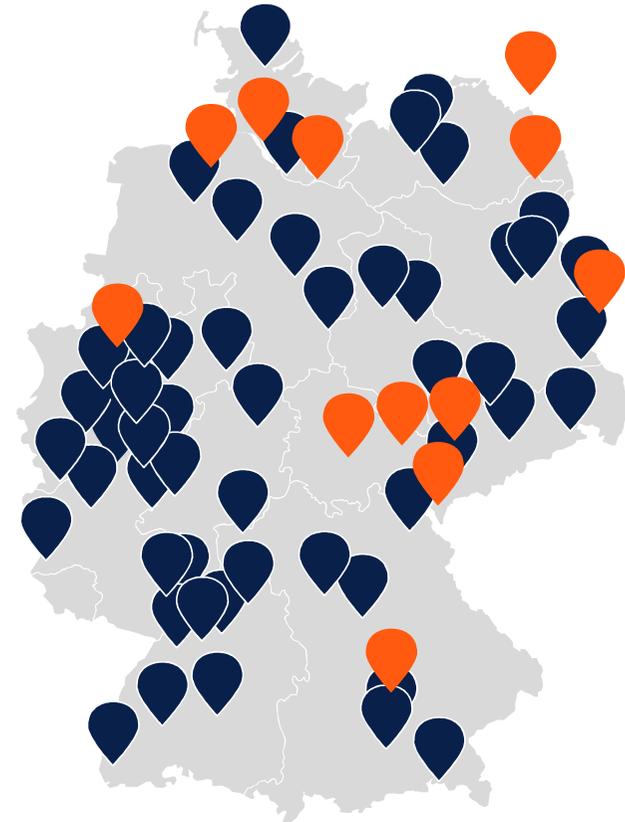
Contact Centers “Sales & Service2Sales”

- Growing customer base into e-commerce and digital business including tech/data integration
- Good cross-selling opportunities with core business to strengthen share of wallet



Contact Centers “Service”

- Limited growth and margin potential and lower impact on group access to customer
- De-consolidation of 12 sites via joint venture partner as Discontinued Operations as of Q4 2019; annualized ~ 85m revenues



Statista fully on Track to achieve full Year Targets 2019

No.1 Business Data Platform fully on Growth Track

9 offices in international hubs



North America: 3rd US Sales Office planned for 2020

Asia: 2 additional Sales Office planned for 2020/21

Update

- Revenue:
Expected to grow by approx. 30% in 2019
- Sales focus:
200 additional employees, thereof 50% in sales
- Further internationalization:
Planned for 2020/21 (Statista business)
- Launch of Statista Company Database:
Information on 43,000 companies

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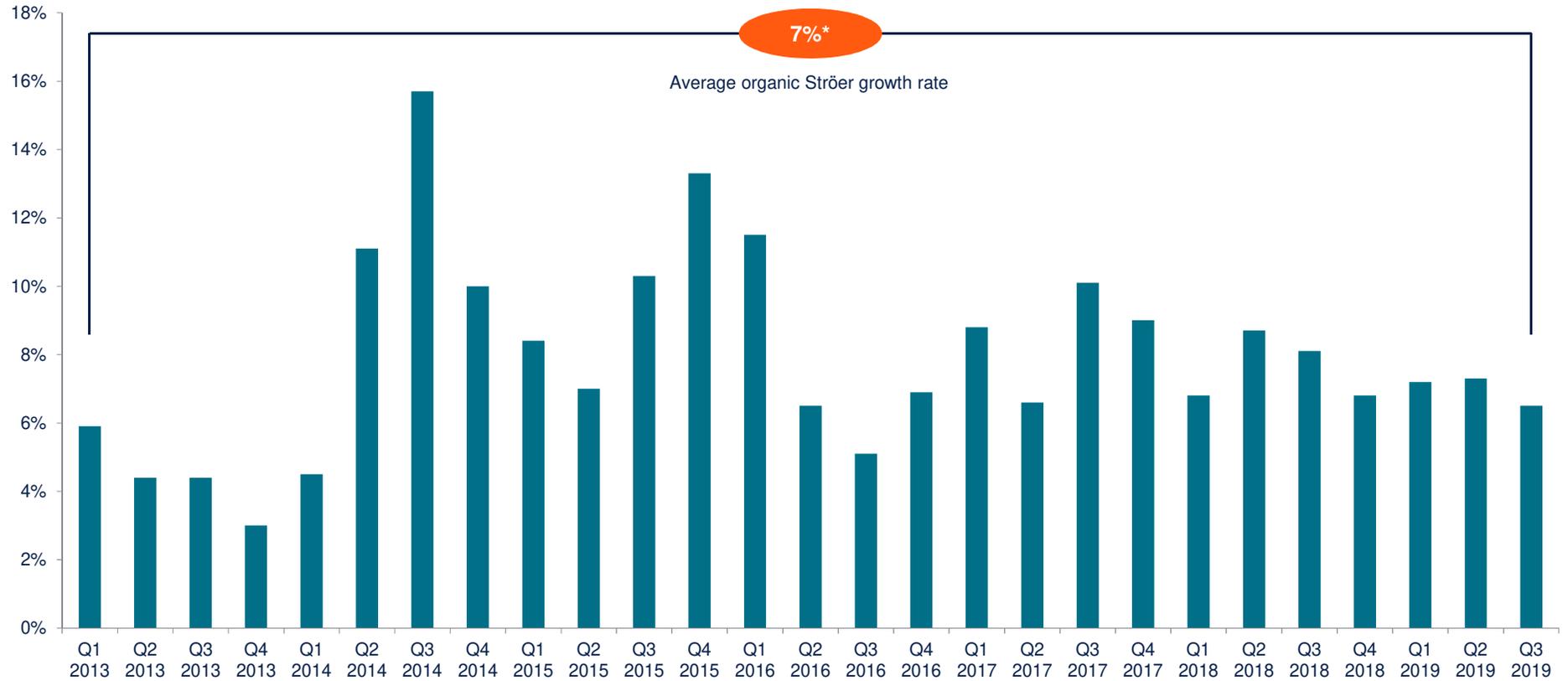
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Outlook

Ströer sustainably outperforming the Ad Industry

27th Quarter in a Row

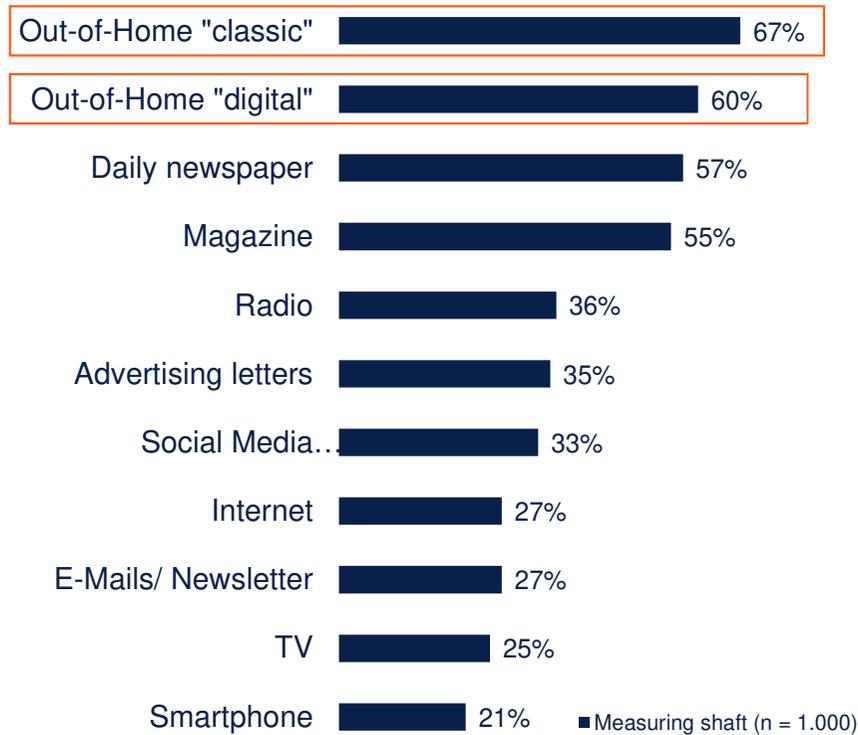


Source: Ströer data; *Median

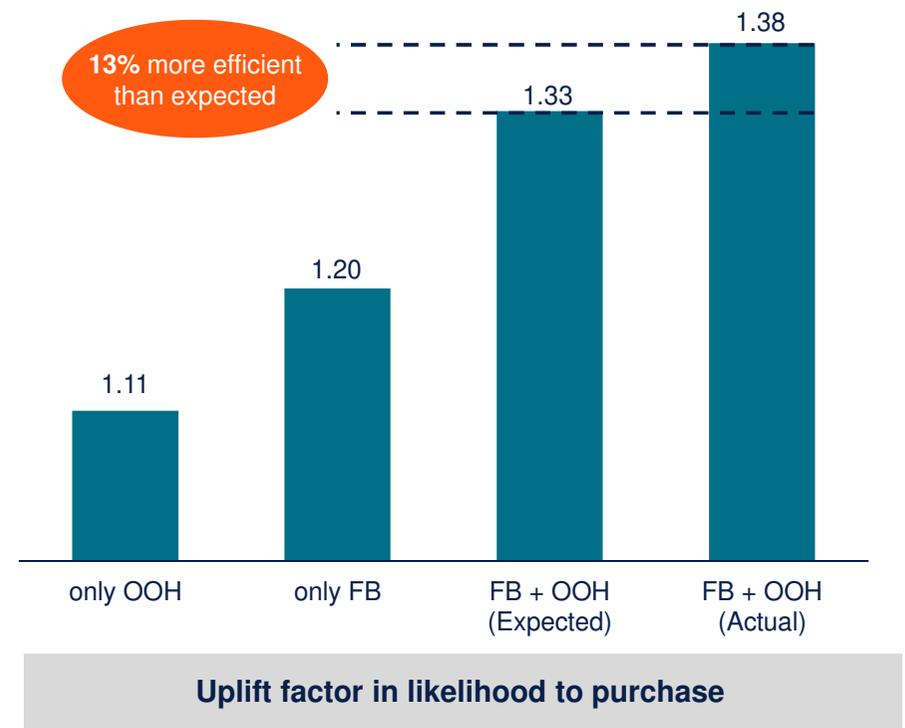
Consumers (and Facebook) love Out-of-Home Advertising

Measurable Impact on Consideration and Purchase Intent

Popularity of media channels



Better together: Facebook and OoH

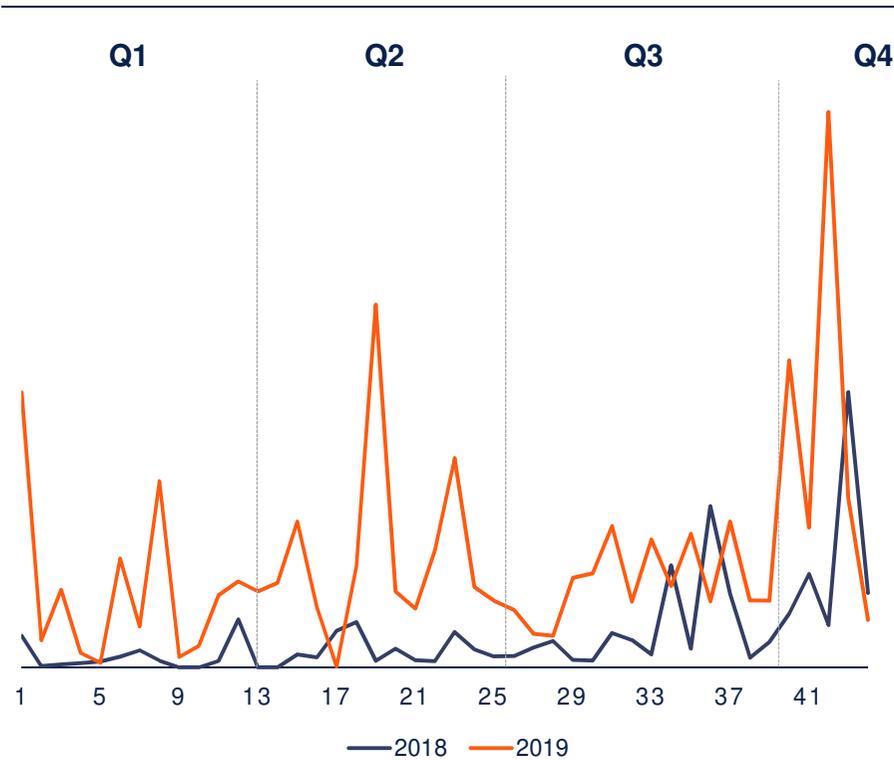


Source: Statista; Question: How much does advertising disturb or annoy you in the different advertising channels? Please rate the channels on a scale from 1 = "doesn't disturb / annoys me at all" to 5 = "disturbs / annoys me a lot". | <https://specialreports.oaaa.org/facebook-combine-ooh-with-facebook-ads/>

Programmatic Public Video at top Frequency Locations

Constant weekly Revenue Inflow since more than one Year now

Sustainable growth of bookings



Frequency is king



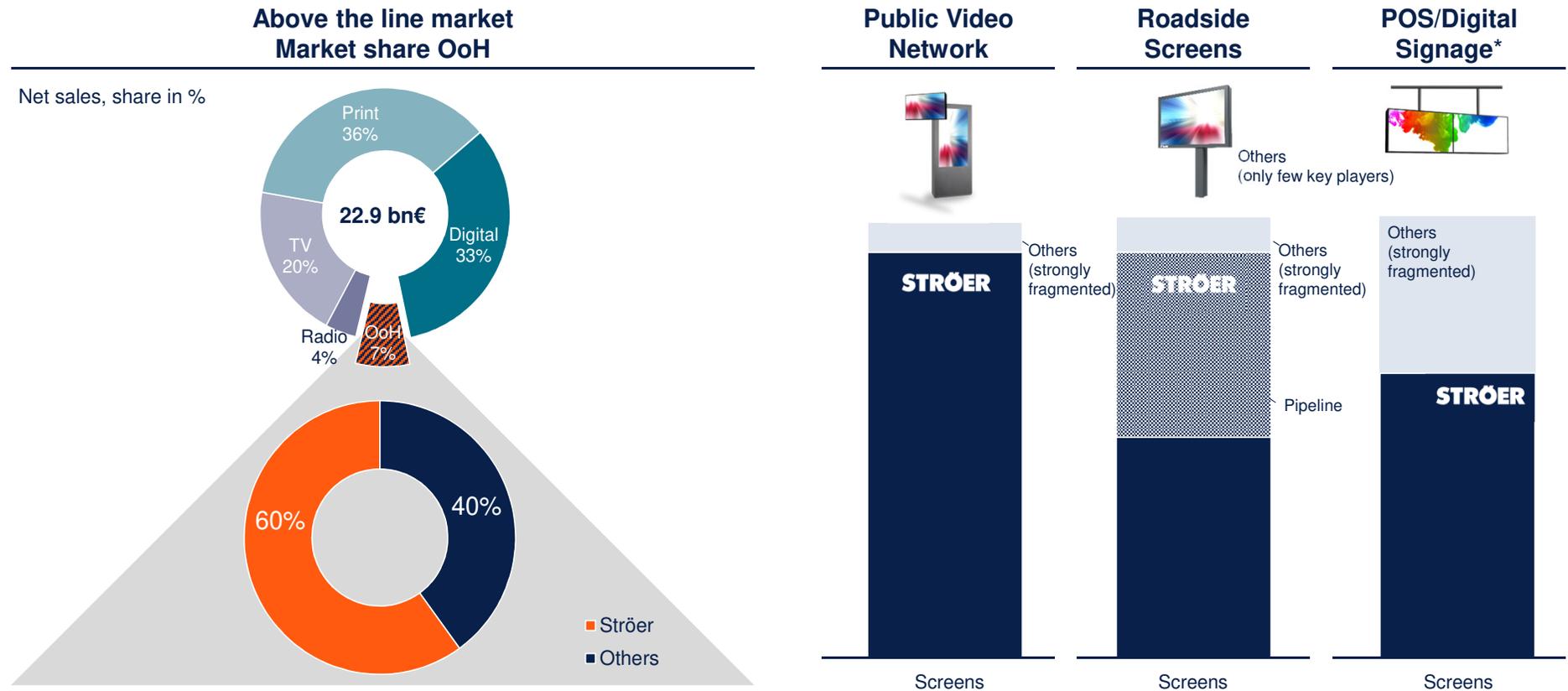
Main shopping streets

Main stations

Hamburg 120,000 (Mönckeberg Str.)	450,000
Munich 175,000 (Kaufinger Str.)	400,000
Frankfurt 180,000 (Frankfurter Zeil)	460,000
Berlin 60,000 (Friedrich Str.)	300,000

Ströer with unparalleled Position in the Growth Industry OoH

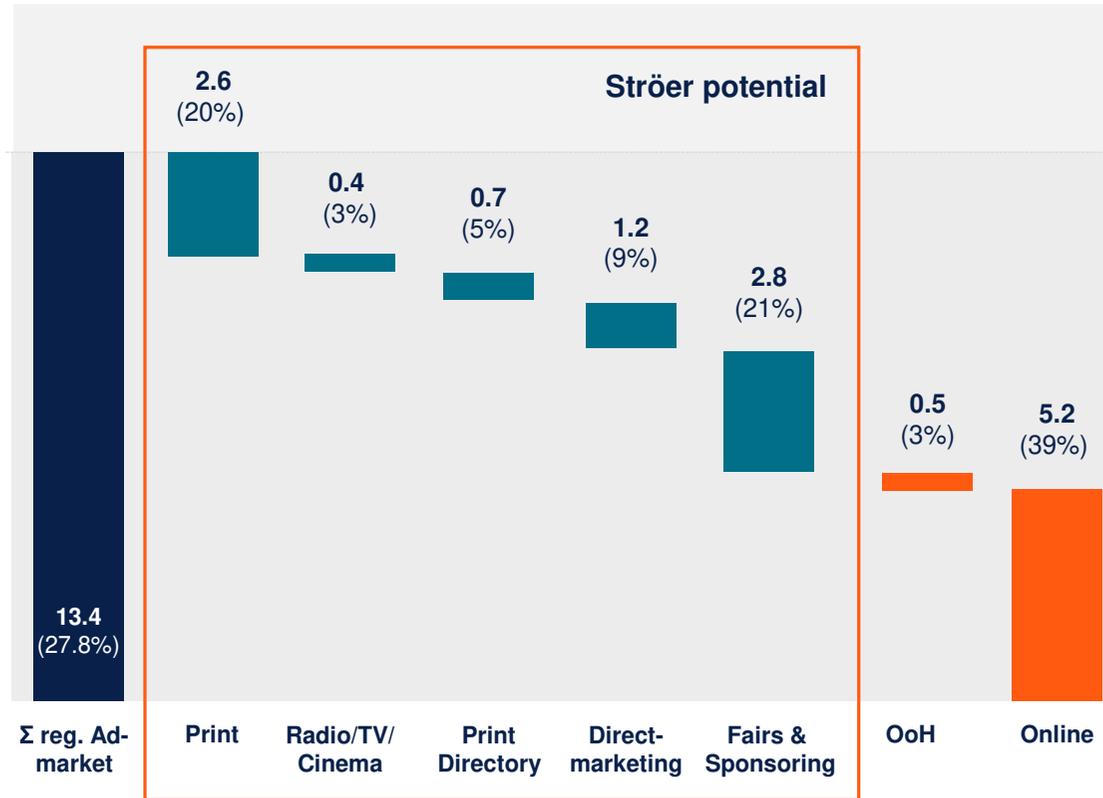
Clear Market Leader overall and overproportioned in all DooH Categories



Source: PWC; Nielsen; Schickler Media Index 2019 – Forecast; Online: Display & Video & Search, Ströer data, https://www.dmi-org.com/downloads/Digital_Out_of_Home_Standorte_Screens.pdf; *excluding rights of promotion

Potential of more than 7bn traditional media spend in regional Market

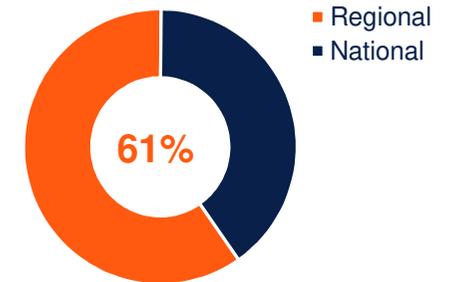
Growing Quantity and Quality of Salesforce is key to drive (D)OoH



Strong growth of local & digital sales force

Sales team/FTEs	2016	2017	2018	e2019	e2020
Regional consultants	89	178	198	158+	170+
Local sales	243	295	441	662+	850+
"Digital only" consultants	62	76	124	162+	220+
Ströer SME only call center agents	40	56	58	60	80+
TOTAL	434	605	821	1,042+	1,320+

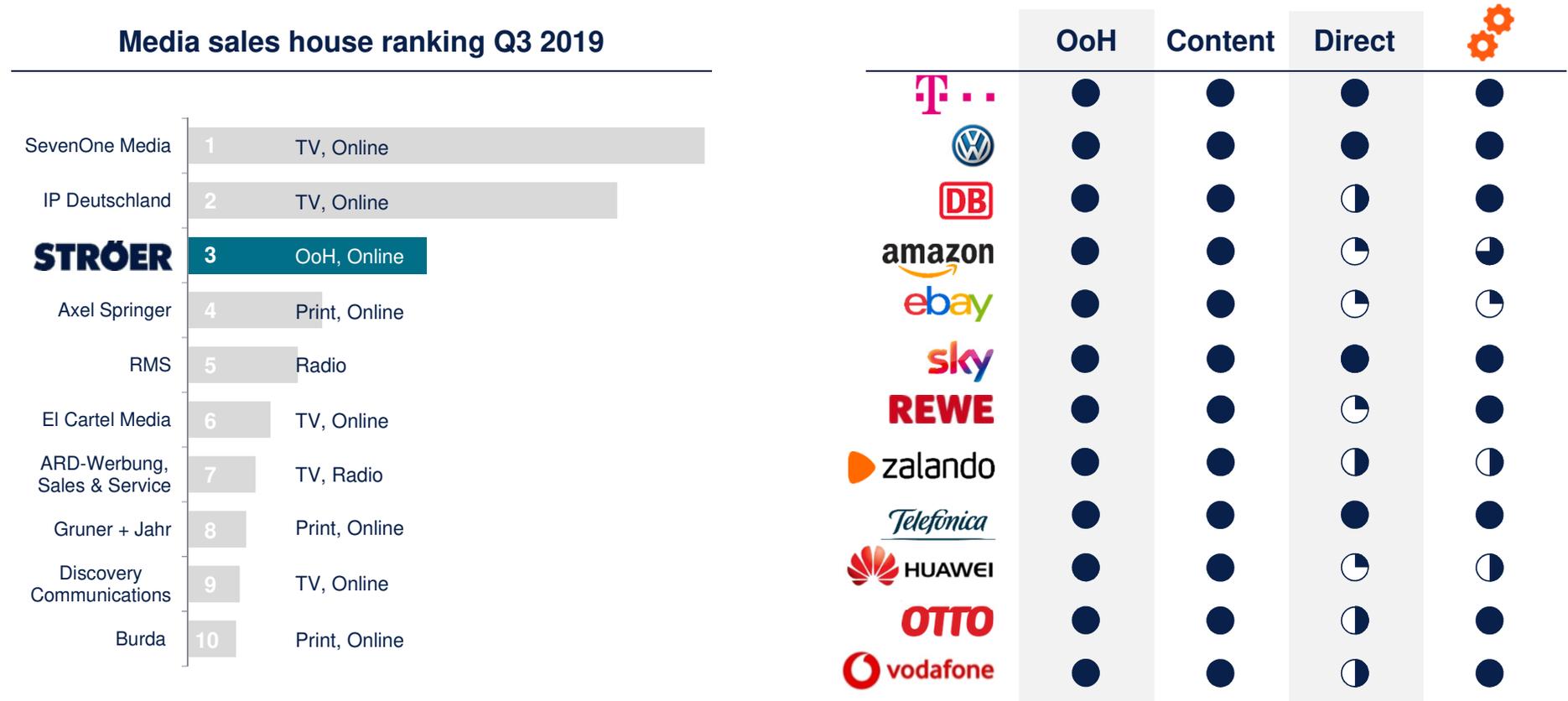
Ströer customer mix OoH revenues



Source: Schickler Research | Simplified presentation of categories | Adjusted for regional advertising spendings of national advertisers

Continuously improved Marketing- and Sales-Positioning

Best prepared to fully access local and national Clients

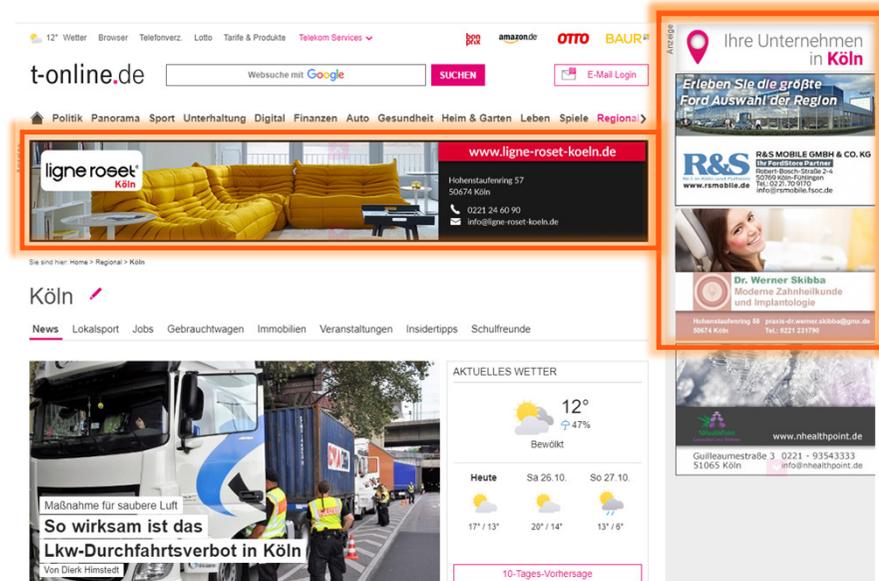


Sources: Nielsen Media Research; gross advertising, Q1-Q3 2019 (Germany); cons. gross sales Ströer: OoH Germany + all digital saleshouses of the group

Structural Investments in future Growth of t-online.de

Localization of Portal, new Tech & Product Team, Integration of Verticals

Building a new local portal



<https://t-online.de/region/koeln>

27 local city portals already online

Next level tech & product

- Second bigger optimization initiative of tech, marketing and product departments since 2015
- Introduction of a new content management system (CMS) with short-term impact on monetization
- Final step of “modernization” completed earlier than originally planned

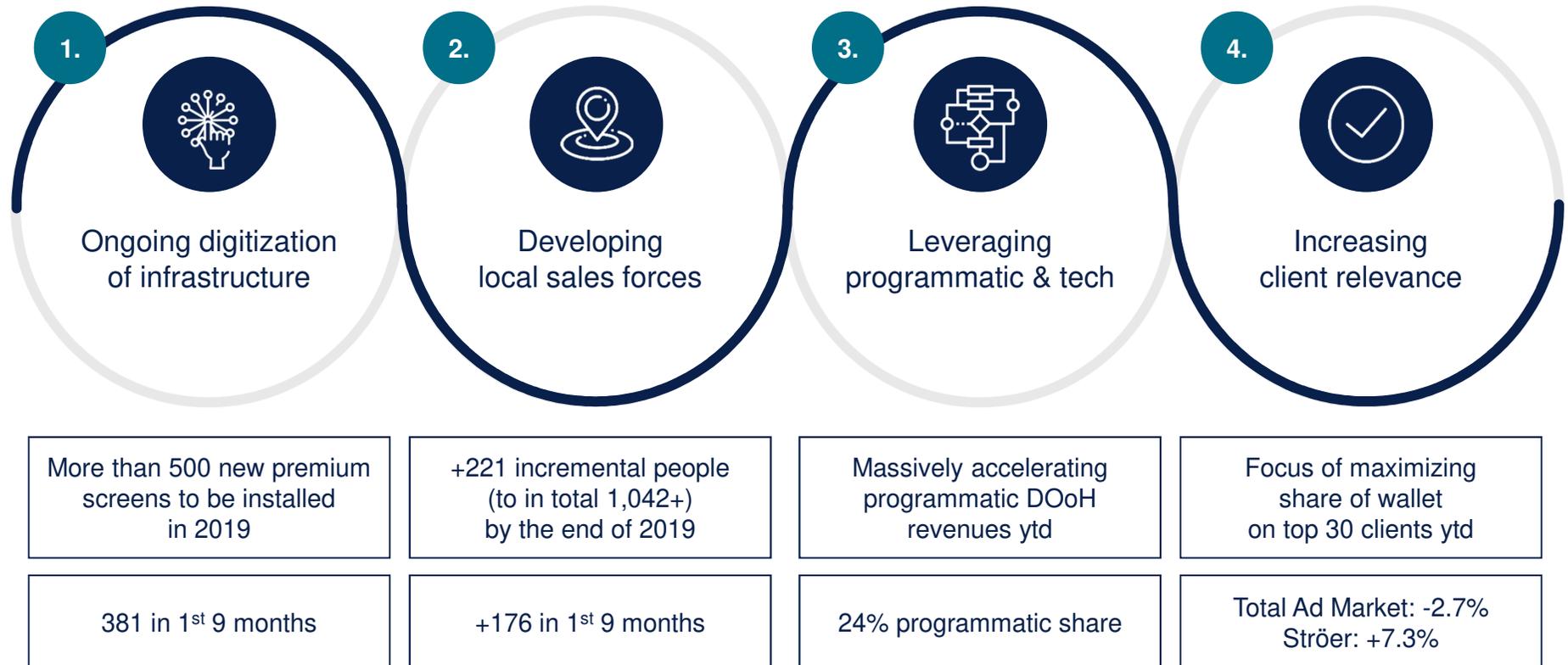
Integration of total publishing into one organization

- One consistent tech & monetization platform across all publishing assets around flagship t-online.de
- Vertical platforms like:



Summary: Sustainable and reliable Business Development

The Core of the OoH+ Strategy



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Profit and Loss Statement Q3 2019

Continuing Operations

m€	Q3 2019	Q3 2018	▲ %		Analysis
Revenues	399.2	386.8	+3%	↑	Expansion driven by 6.5% organic growth
EBITDA (adjusted)	132.8	127.1	+4%	↑	Solid growth against minor scope effects from disposals
Exceptional items	-13.2	-8.2	-62%	↓	Material restructuring und integration efforts
EBITDA	119.5	118.9	+0%		
Depreciation & Amortization*	-92.9	-86.8	-7%	↓	Increase in scope of IFRS 16 and PPA effects
EBIT	26.6	32.2	-17%		
Financial result*	-8.5	-7.4	-14%		
Tax result	-2.6	-3.1	+14%		
Net Income	15.5	21.7	-28%		
Adjustments**	26.9	19.0	+42%	↓	Increase in exceptional items and PPA effects
Net Income (adjusted)	42.4	40.7	+4%	↑	Solid growth in line with top-line development

Note: Disposal of OoH Turkey classified as discontinued operations

*Thereof attributable to IFRS 16 in D&A 46.7m€ (PY: 43.8m€) and in financial result 5.6m€ (PY: 5.3m€)

**Adjusted for exceptional items (+13.2m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +18.7m€), in financial result (+0.2m€) and in income taxes (-5.3m€)

Free Cash Flow Perspective Q3 2019

Continuing Operations

m€	Q3 2019	Q3 2018
EBITDA (adjusted)	132.8	127.1
- Exceptional items	-13.2	-8.2
EBITDA	119.5	118.9
- Interest	-6.5	-6.1
- Tax	-8.3	-12.3
-/+ WC	-3.7	-28.9
- Others	+4.4	+1.3
Operating Cash Flow	105.4	73.0
Investments (before M&A)	-31.9	-28.9
Free Cash Flow (before M&A)	73.5	44.1
Lease liability repayments (IFRS 16)**	-32.9	-25.0
Free Cash Flow (adjusted)***	40.5	19.0

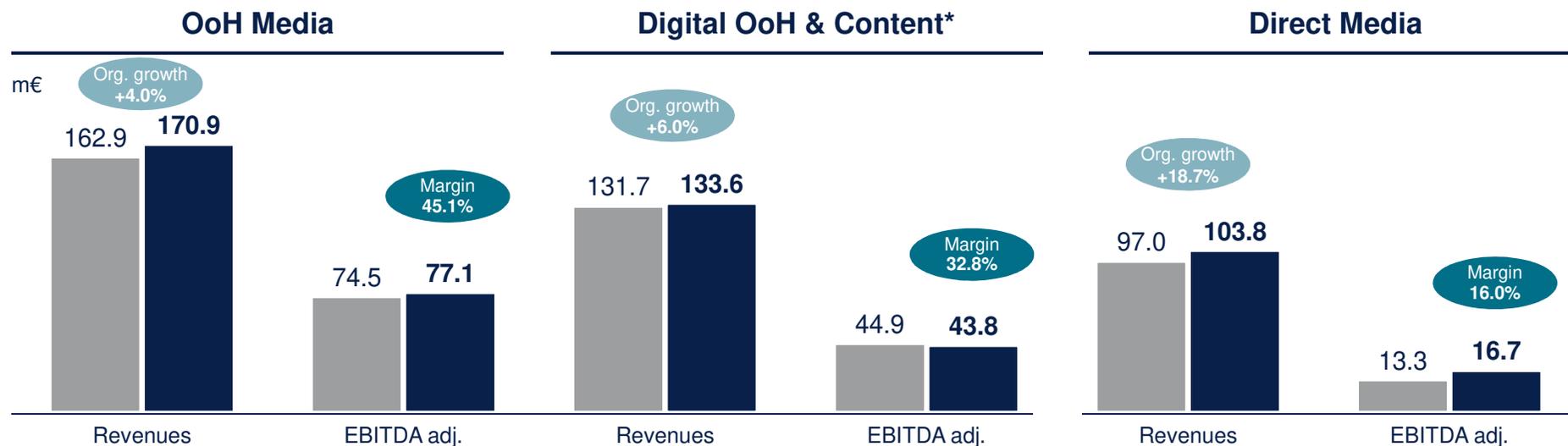
Note: Disposal of OoH Turkey classified as discontinued operations
 *Net debt and adj. EBITDA of last 12 month adjusted for IFRS 16
 **Part of cash flow from financing activities
 ***Before M&A and incl. IFRS 16 lease liability repayments

Comment

- Q3 with strong Free Cash Flow improvement from 19 to 41m€
- Working Capital development on track; previous year affected by phasing effects
- Investments into internal growth opportunities according to plan
- Bank leverage ratio* improved from 1.8 to 1.7:



Segment Perspective Q3 2019 – Solid organic Growth, Portfolio Optimizations soften reported View



- Sustainable growth in OoH Media fueled by all sales channels; stable margin vs. prior year
- Ongoing strong profitable growth of Digital OoH; portfolio changes soften overall segment performance
- Sustainable organic growth in Direct Media (driven by door-to-door business) overcompensates portfolio changes within the segment; material reshaping and restructuring efforts in call center business

Note: Disposal of OoH Turkey classified as discontinued operations
 *Formerly Content Media

■ Q3 2018 ■ Q3 2019 ■ Organic growth rate ■ Margin

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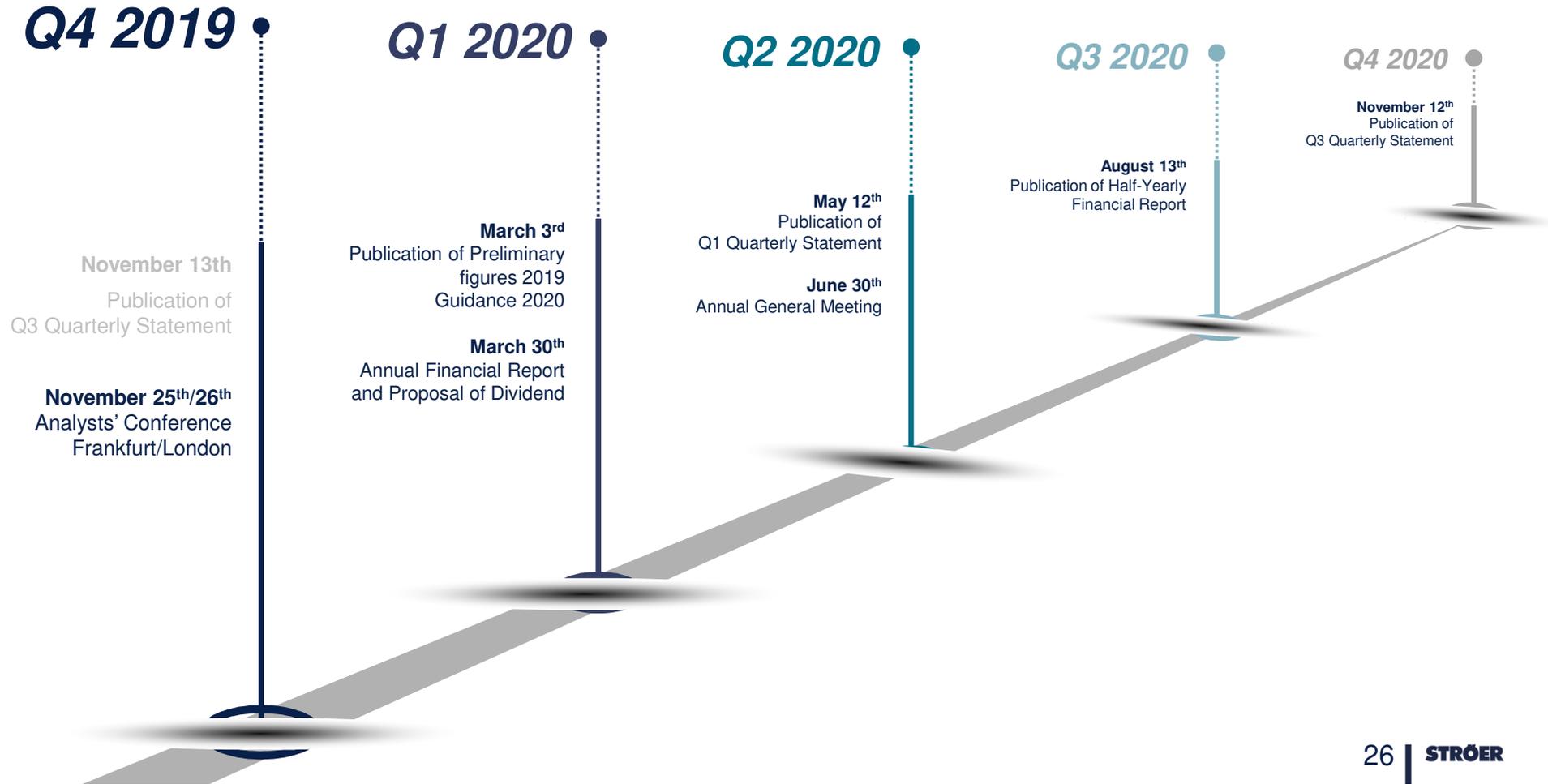
Outlook

Ströer Group's Key Performance Indicators – Guidance 2019*

Given the strong order intake for the 4th quarter, we expect organic revenue growth at the upper end of the 3% to 7% guidance range, that we previously communicated, for the full year.

*incl. IFRS changes

Financial Calendar 2020





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Appendix

Profit and Loss Statement 9M 2019

Continuing Operations

m€	9M 2019	9M 2018	▲ %
Revenues	1,186.6	1,112.7	+7%
EBITDA (adjusted)	388.8	364.0	+7%
Exceptional items	-27.8	-23.1	-20%
EBITDA	360.9	340.9	+6%
Depreciation & Amortization*	-268.7	-251.7	-7%
EBIT	92.2	89.2	+3%
Financial result*	-23.4	-23.2	-1%
Tax result	-11.5	-8.9	-29%
Net Income	57.3	57.1	+0%
Adjustments**	69.1	62.1	+11%
Net Income (adjusted)	126.4	119.2	+6%

Note: Disposal of OoH Turkey classified as discontinued operations

*Thereof attributable to IFRS 16 in D&A 133.9m€ (PY: 126.1m€) and in financial result 16.2m€ (PY: 16.3m€)

**Adjusted for exceptional items (+27.8m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +53.3m€), in financial result (+0.1m€) and in income taxes (-12.2m€)

Free Cash Flow Perspective 9M 2019

Continuing Operations

m€	9M 2019	9M 2018
EBITDA (adjusted)	388.8	364.0
- Exceptional items	-27.8	-23.1
EBITDA	360.9	340.9
- Interest	-20.3	-19.9
- Tax	-32.0	-53.8
-/+ WC	-25.5	-34.9
- Others	-4.0	-6.3
Operating Cash Flow	279.1	226.0
Investments (before M&A)	-78.9	-88.9
Free Cash Flow (before M&A)	200.2	137.1
Lease liability repayments (IFRS 16)*	-121.9	-115.0
Free Cash Flow (adjusted)**	78.3	22.1

Note: Disposal of OoH Turkey classified as discontinued operations

*Part of cash flow from financing activities

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

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