



STRÖER

Preliminary Figures FY 2019

March 3rd, 2020 | Ströer SE & Co. KGaA

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Outlook

Preliminary Results FY 2019 (continuing Operations)

m€		FY 2019	FY 2018	▲
Revenues	Reported	1,591.1	1,507.8	+6%
	Organic ⁽¹⁾	7.1%	7.9%	-0.8%pts
EBITDA (adjusted)		570.5	538.2	+6%
EBIT (adjusted)		280.4	266.2	+5%
Net income (adjusted) ⁽²⁾		210.5	198.6	+6%
Operating cash flow		483.7	409.8	+18%
Capex		113.5	111.9	+1%
		31 Dec 2019	31 Dec 2018	
Net financial debt (incl. lease obligations)		1,541.9	1,560.5	-1%

Note 1: Figures are preliminary and unaudited

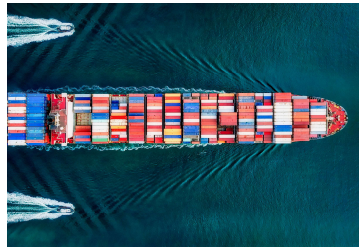
Note 2: Disposal of D+S 360° Group and OOH Turkey classified as discontinued operations

(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

Core Business Focus: OOH+

1



Focus on sustainably growing core business OOH

- OOH forecasts positive, strong momentum
- Macro trends urbanization & mass mobility
- First quarter ever TV with declining share in Ad market

2



Leveraging organic growth opportunities

- Regional and local demand
- Structural investments in ERP and Sales Systems
- Investment in more programmatic interfaces to DSPs
- Transformation of analogue premium sites into digital

3



No relevant M&A

- Disposal of non-German businesses
- Disposal of E-Commerce & intermediate models
- Direct Media: Focus on Sales Services

OOH+

Statista & Asam: Dynamic and sustainable Revenue Development

Statistiken ▾ Reporte ▾ Outlooks ▾ Tools ▾ Infografiken ▾

+30%

Global No.1 Business Data Platform
Insights und Fakten aus 600 Branchen und 50+ Ländern

statista

Facebook Medien Fitness Fahrzeugbestand Bundesländer

SAMSUNG PayPal T Adobr

A circular graphic showing a screenshot of the Statista website. A large blue arrow points upwards and to the right, indicating a 30% increase. The Statista logo is prominently displayed in the center. Below the logo, several partner logos are visible, including Samsung, PayPal, and Adobe.

Suchbegriff hier eingeben...

+18%

M. Asam

TIPP DES MONATS
LIMITIERTE EDITION FÜR SICHTBAR STRAFFERE UND EBENMÄSSIGE HAUT
GRATIS VERSAND

TIPP DER WOCHE
INTENSIVE KÖRPERPFLEGE ANSPRUCHSVOLLE HAUT

WOCHENEND-
STRAFFENDES FÜR ZUM KENNEN

STAT 32,75 €* NUR 27,50 €*

A circular graphic showing a screenshot of the M. Asam website. A large blue arrow points upwards and to the right, indicating an 18% increase. The M. Asam logo is prominently displayed in the center. Below the logo, several product images and promotional text are visible, including 'Tipp des Monats' and 'Tipp der Woche'.



The Countries Best And Worst Prepared For An Epidemic

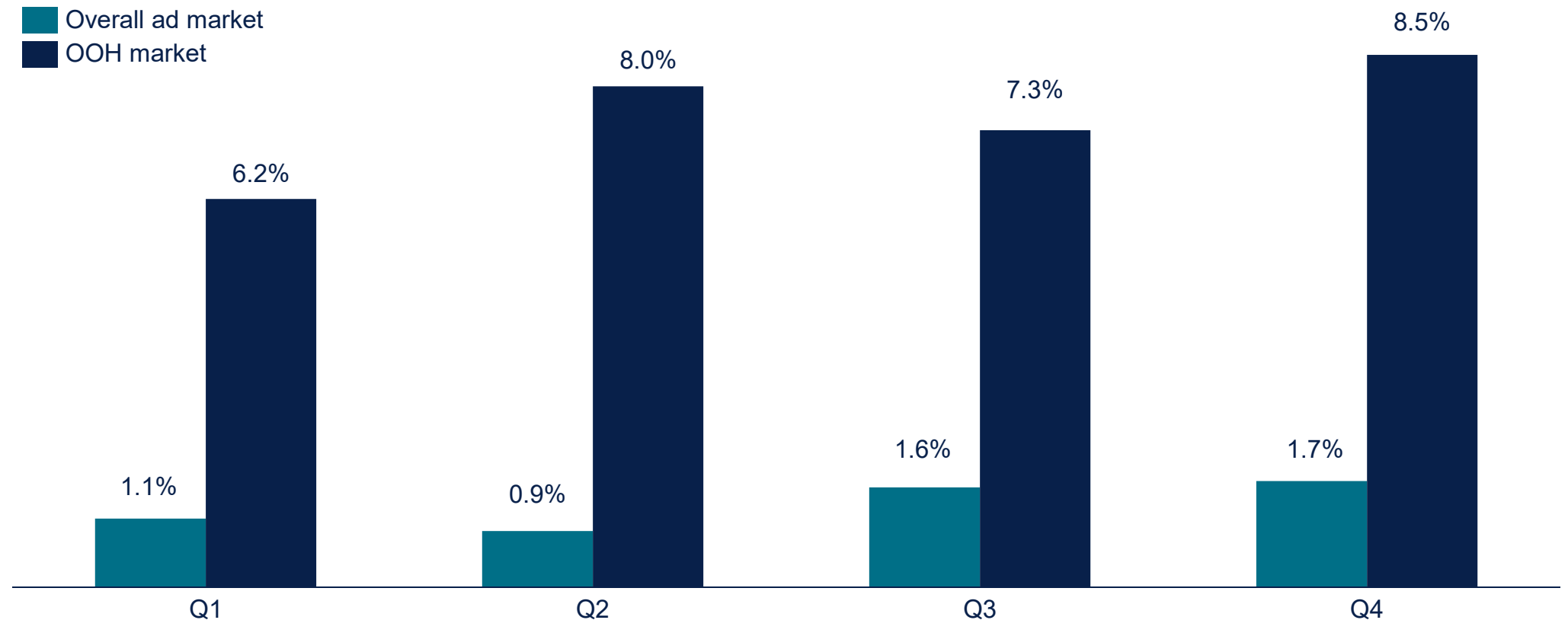
Countries are ranked by ability to respond to an epidemic pandemic in 2017



© 2018 Statista
statista

Out-of-Home Market continuously outperforms Ad Market

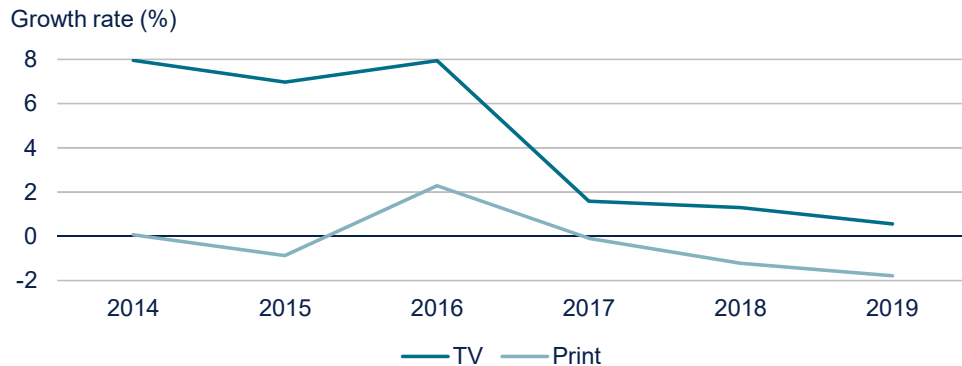
Ø Growth Quarters 2017 – 2019



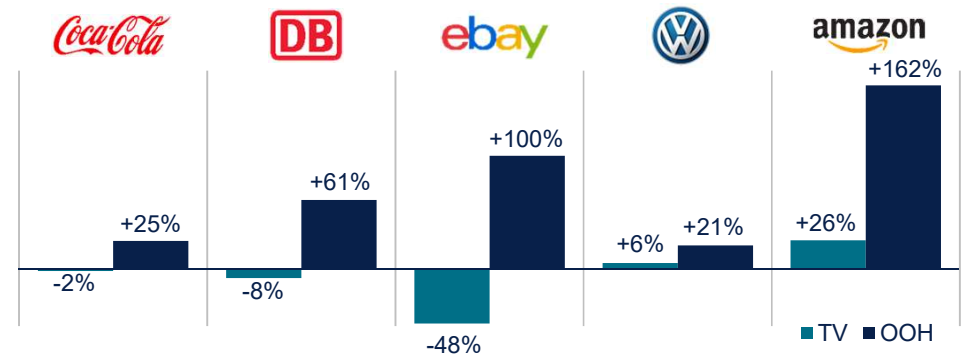
Source: Nielsen Germany 2017-2019

OOH remains the structural Winner in the German Ad Market

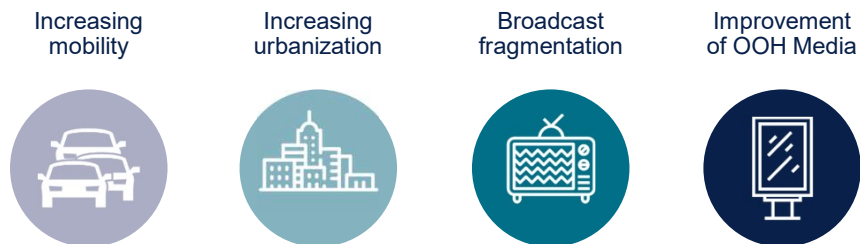
TV and print declining*



Significant reorientation in classic media 2019 vs. PY*

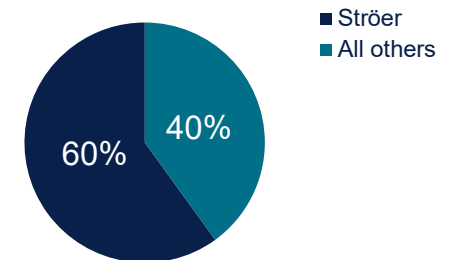


Positive influence by market driving factors OOH with continuous Momentum in Germany



60% market share**

Ströer in a consolidated market represents outstanding strategic position



Source: *Nielsen Germany; **Ströer Data

OOH+ globally unique and extremely robust: Ströer Key KPIs

Robust advertising market vs. economic deviations



Proprietary tech stack & programmatic capabilities



Potential for growth due to declining competitive markets



OOH market is consolidated, high market entry barriers



Scalable Salesforce to address the huge local SME market



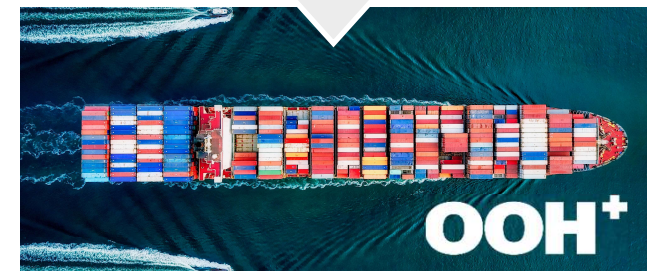
Proprietary long term portfolio for further digitization



Market share of market leader is above 50%

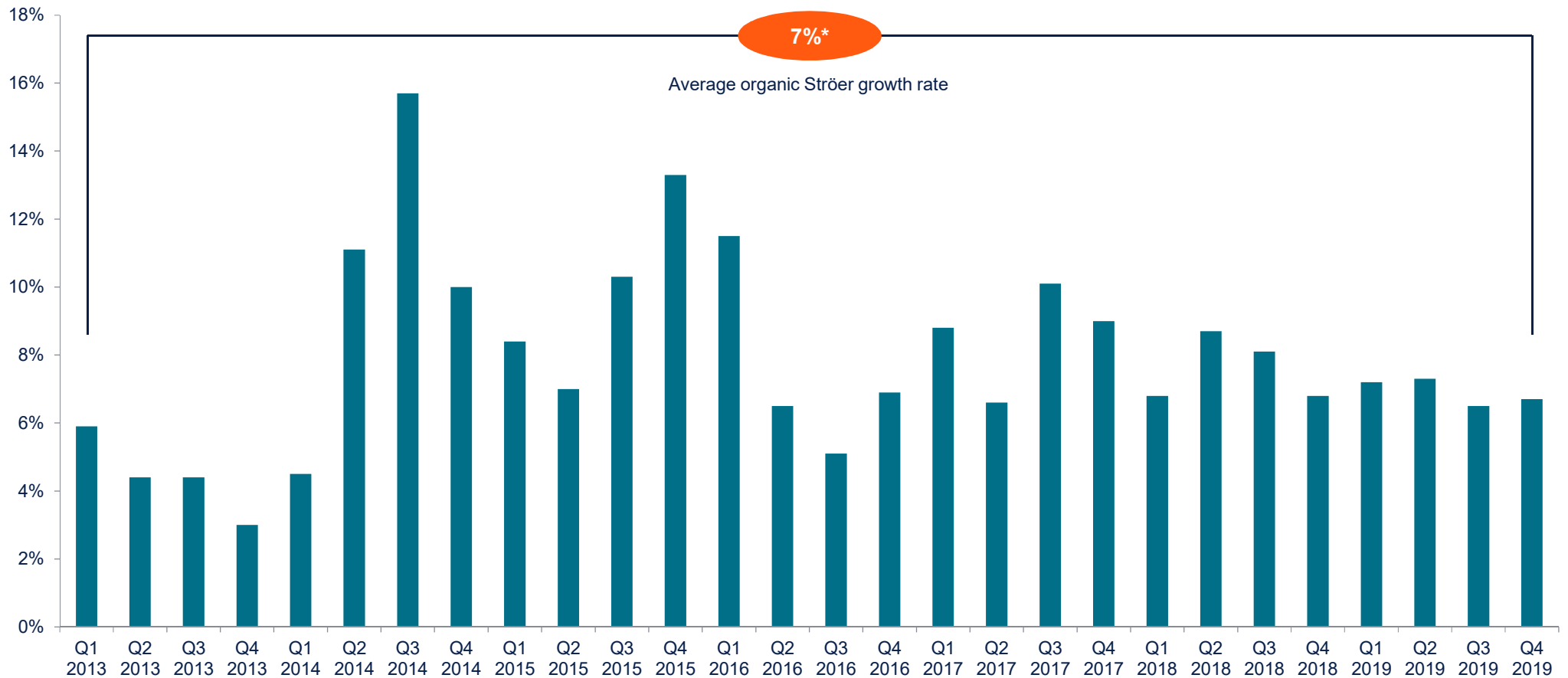


Strong share of wallet by embedding OOH with other services



Organic Growth robust and stable each Quarter since 2013

Ströer Growth Rate sustainably outperforming the Ad Industry



Source: Ströer data (as reported); Q4 2019 prelim.; *Median

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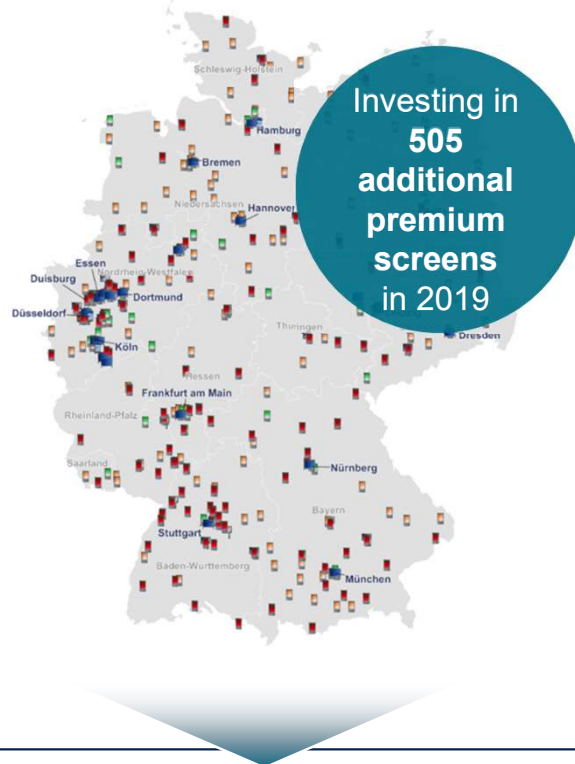


OOH+: Four organic Focus Areas



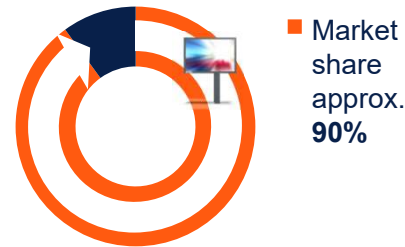
Leveraging Inventory Assets through ongoing Digitization

More than 5.000 Screens
(>90% indoor)

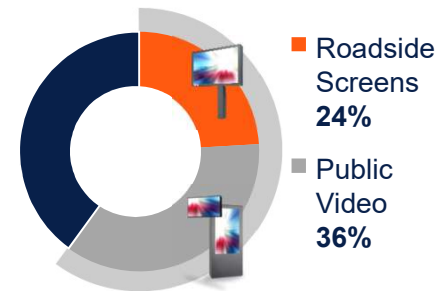


Indoor – almost completed

Total Ströer share of large format premium roadside locations*

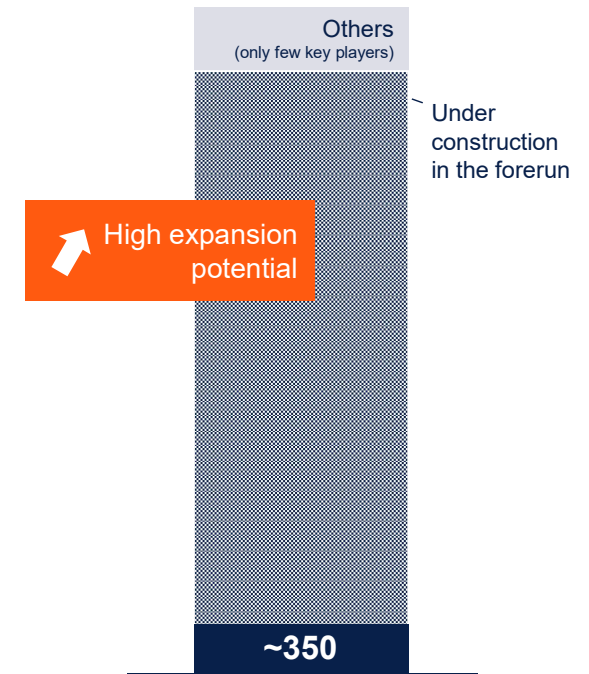


Investment volume OOH 2019
Clear focus on digitization of inventory



Roadside – at the beginning

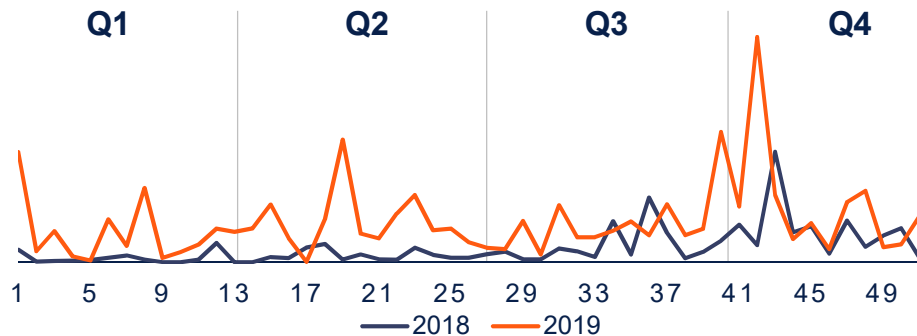
Roadside Screens



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

Improving Flexibility of Supply by Usage of proprietary Tech & Data

2019 Public Video programmatic significantly above 2018



Audience based Targeting OOH & Online

Database:

- Bid requests, logins, household data, movement data and online shop visits
- Application in OOH target group optimization, online targeting

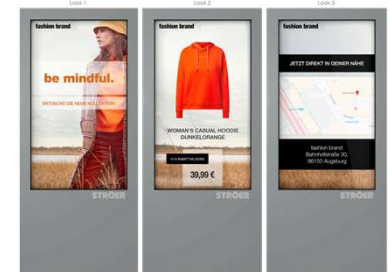
Data sources:

- Online data of Ströer DMP
- Data from cooperation with e.g. Otto Group Media
- Household data of Deutsche Post



New Public Video Product: Dynamic Creation

- Campaign can react automatically and in near real time to changing parameters
- Creatives can be adapted to campaign objectives
- High flexibility of campaign mgmt.
- The content of the ad changes automatically depending on the target group concentration, location or other criteria



Data collection and merging into Ströer-ID

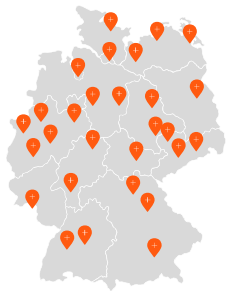


Local Sales Force increasing Productivity

Strong growth of local & digital sales force

Sales team/FTEs	2016	2017	2018	2019	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+

Local Market know-how and execution quality



On-site presence








Short routes to the customer

EasyS – new local sales platform that simplifies the consultancy and booking process

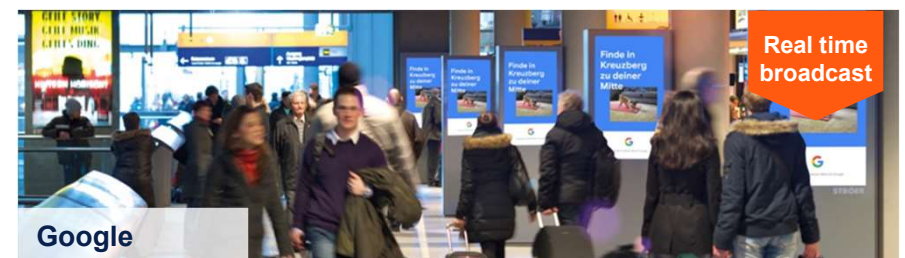
Produkt	Standort	Vertragspartner	Laufzeit in Monaten	Einmal-Kosten	Monatliche Kosten
Stapel-Light	Wersbergstr. 50626 Köln	Stroer Deutsche Städte Medien	60	0,00€	1.066,00€
Gesamt				0,00€	1.066,00€

- Offer overview and status
- Client search via Google Maps
- OOH & Online booking
- Printing of signed or unsigned contract or mail to client with contract details

Integrated Campaigns offering broader Access to Clients

	OOH	Content	Direct	
	●	●	●	●
	●	●	◐	◐
	●	◐	◐	◐
	●	●	◐	◐
	●	●	◐	◐
	●	◐	◐	◐
	●	●	◐	◐
	●	●	◐	◐
	●	●	◐	◐
	●	●	●	●

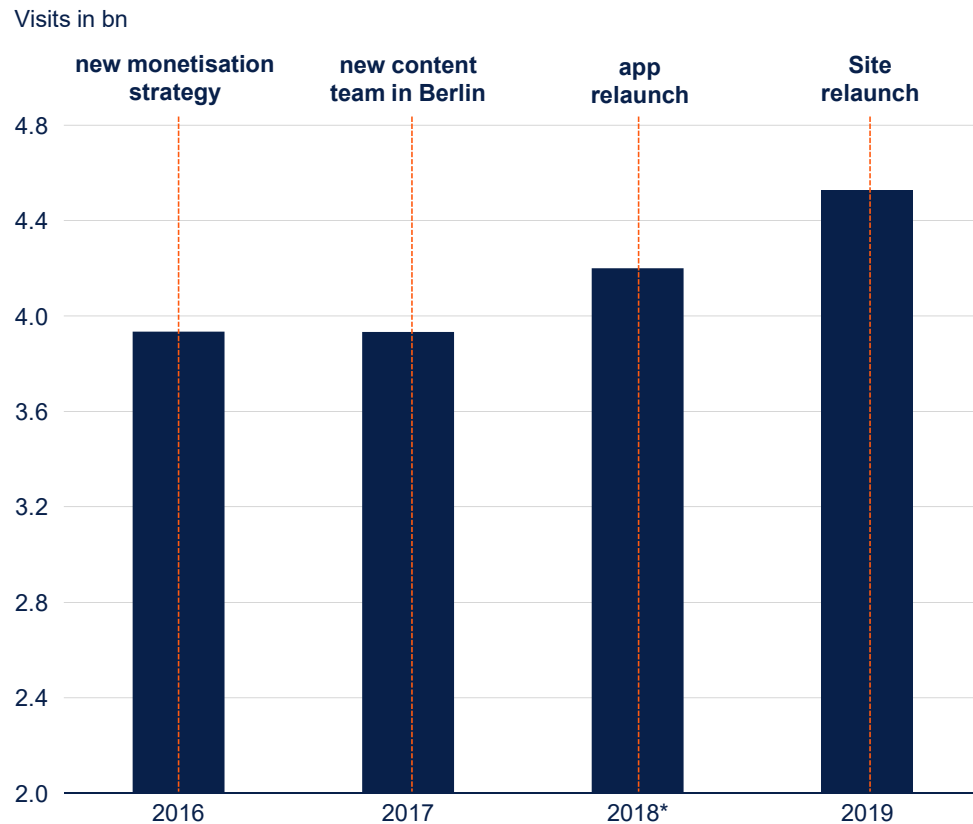
Success cases



T-Online Content Portal continuously evolving

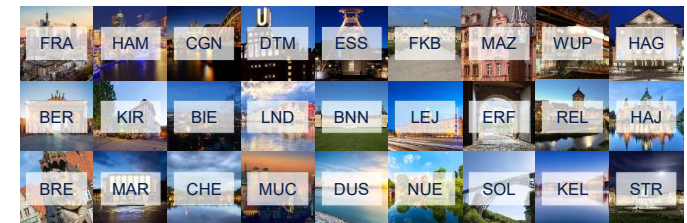
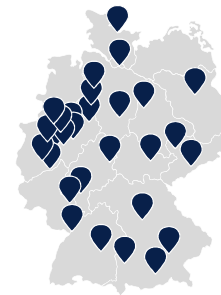
Successful Development of Visits

T-Online back on track after turnover

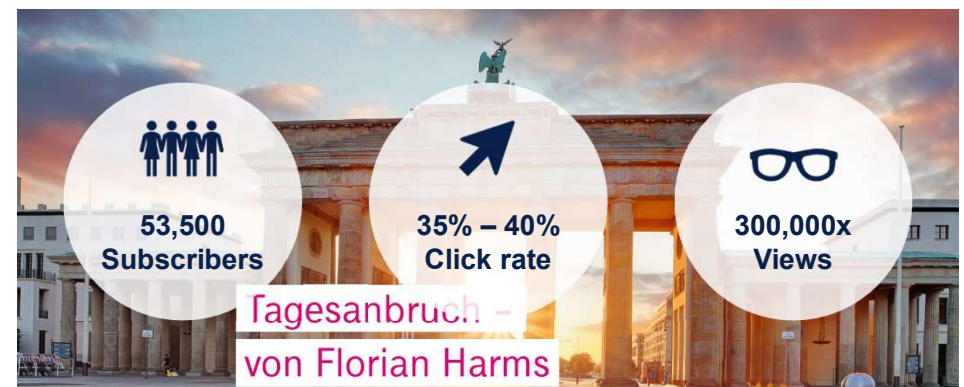


*Visits 2018 based on the development year-to-date 2018

A new local portal – 29 T-Online city portals already launched



Daily newsletter successfully established in Germany



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



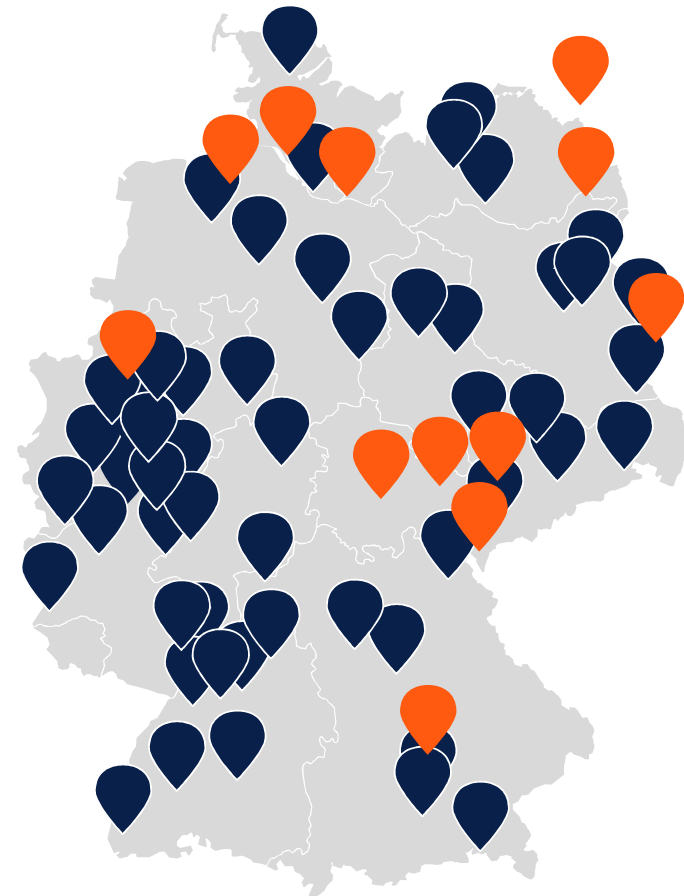
Contact Centers “Sales & Service2Sales”

- 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 & joint venture with partner Tricones from Q4 2019; annualized ~ 85m revenues



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Profit and Loss Statement FY 2019

Continuing Operations

m€	FY 2019	FY 2018	▲ %
Revenues	1,591.1	1,507.8	+6%
EBITDA (adjusted)	570.5	538.2	+6%
Exceptional items	-34.4	-27.0	-27%
EBITDA	536.1	511.1	+5%
Depreciation & Amortization*	-358.7	-341.2	-5%
EBIT	177.4	169.9	+4%
Financial result*	-32.6	-33.5	+3%
Tax result	-25.1	-21.9	-15%
Net Income	119.7	114.5	+5%
Adjustments**	90.8	84.1	+8%
Net Income (adjusted)	210.5	198.6	+6%

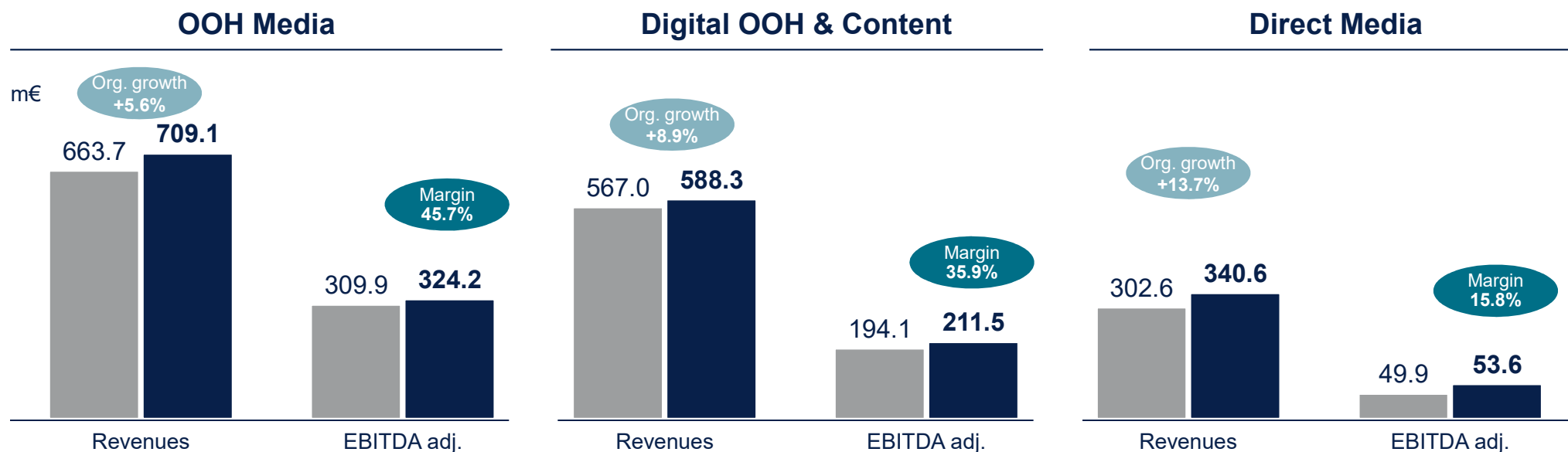
Note 1: Figures are preliminary and unaudited; Note 2: Disposal of D+S 360⁰ Group and OOH Turkey classified as discontinued operations

*Thereof attributable to IFRS 16 in D&A 178.4m€ (PY: 168.4m€) and in financial result 20.7m€ (PY: 21.2m€)

**Adjusted for exceptional items (+34.4m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +68.7m€), in financial result (+2.3m€) and in income taxes (-14.5m€)

Segment Perspective FY 2019 – Solid organic Growth

Portfolio Optimizations soften reported View



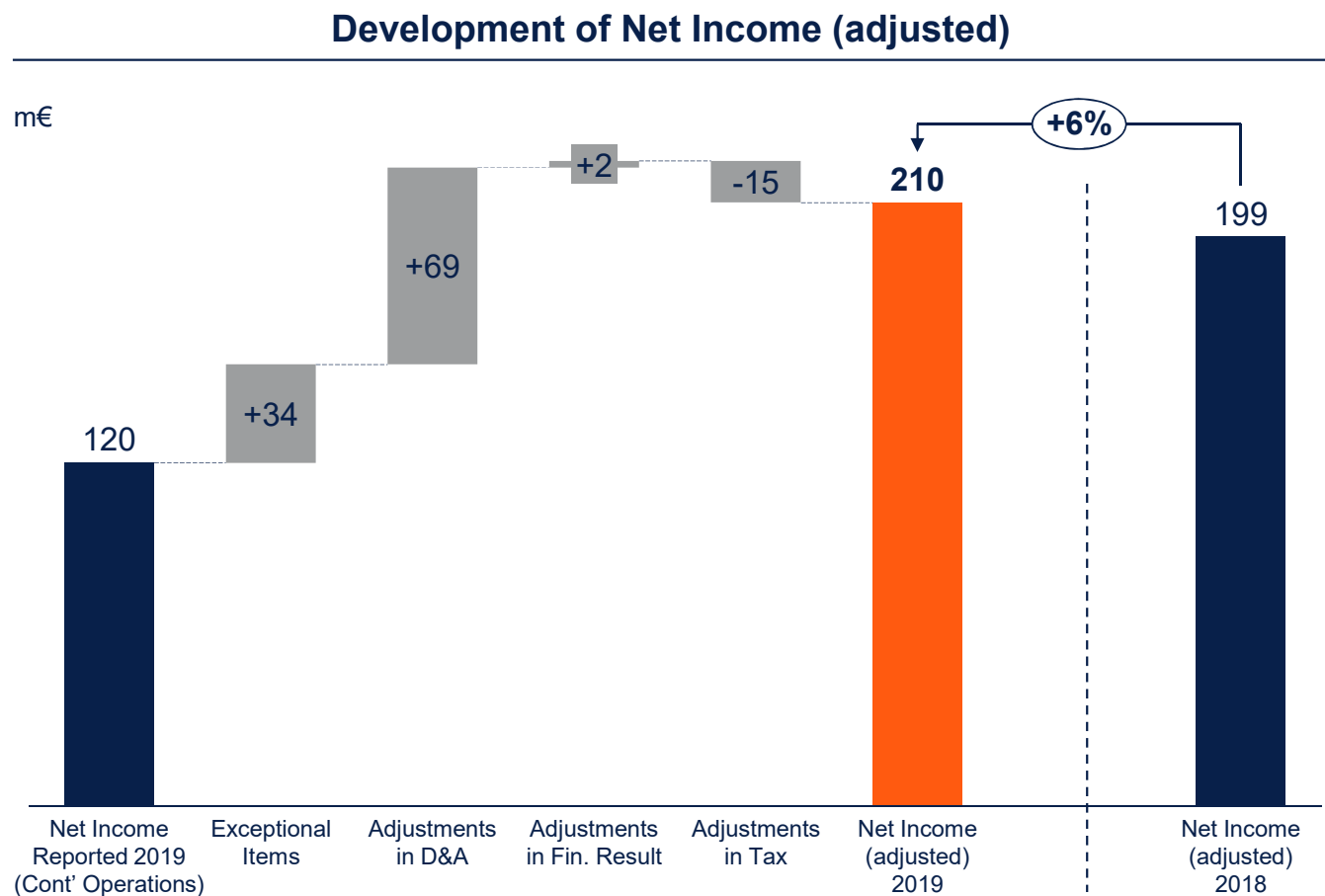
- Sustainable growth in OOH Media supported by local/regional sales initiatives and strong national demand
- Strong profitable growth of Digital OOH overcompensates effects from portfolio changes within the segment
- Sustainable organic growth in Direct Media – strongly driven by door-to-door business – overcompensates portfolio changes within the segment; material reshaping and restructuring efforts especially in call center business

Note 1: Figures are preliminary and unaudited

Note 2: Disposal of D+S 360° Group and OOH Turkey classified as discontinued operations

■ FY 2018 ■ FY 2019 ■ Organic growth rate ■ Margin

Transition of net Income to net Income (adjusted) Continuing Operations



Comment

- Net income adjusted is central parameter of our dividend policy
- Growth in Net Income (adjusted) vs. PY basically driven by improved operational performance
- Exceptional expenses linked mainly to integration re-organization efforts
- Adjustments in D&A mainly refer to PPA related amortization
- Increase in taxes follows higher tax base (adjusted)

Note: Figures are preliminary and unaudited; Figures w/o result from discontinued operations

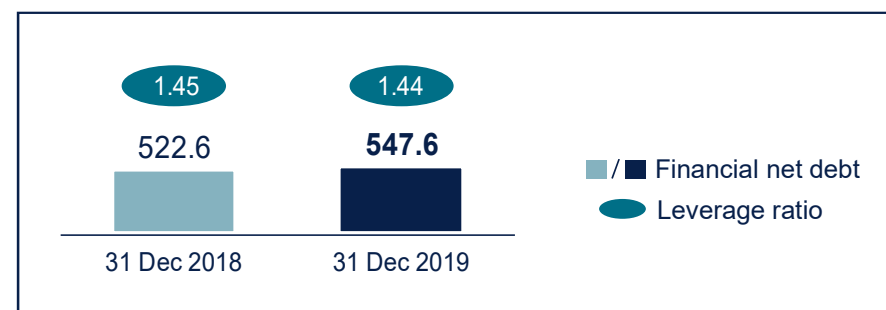
Free Cash Flow Perspective FY 2019

Continuing Operations

m€	FY 2019	FY 2018
EBITDA (adjusted)	570.5	538.2
- Exceptional items	-34.4	-27.0
EBITDA	536.1	511.1
- Interest	-29.0	-30.2
- Tax	-39.2	-54.1
-/+ WC	+11.2	-4.8
- Others	+4.6	-12.1
Operating Cash Flow	483.7	409.8
Investments (before M&A)	-113.5	-111.9
Free Cash Flow (before M&A)	370.2	297.9
Lease liability repayments (IFRS 16)**	-174.7	-158.3
Free Cash Flow (adjusted)***	195.5	139.5

Comment

- Free Cash Flow strongly above previous year mainly driven by:
 - better operational performance
 - Positive Working Capital development
 - high one-time tax payment in previous year
- Sustainable high investments in digitalization, software and other intangibles
- Bank leverage ratio* stable at low 1.4:



Note 1: Figures are preliminary and unaudited; Note 2: Disposal of D+S 360⁰ Group and 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

Sustainability Strategy 2030

Reduction of governance risks

- Increasing transparency requirements of core investors
- Investors are increasingly focusing on compliance topics
- Reduction of risks in more complex economic processes increasingly important
- Investors expect more "depth" in sustainability reporting
- EU will require additional sustainability information to better identify gaps and progress

Efficient use of resources

- Investors increasingly appreciate companies with comprehensible sustainable actions
- European Union plans climate neutrality and a much more effective recycling economy with the "Green Deal"

Human Capital

- Efficient and sustainable use of the scarce resource of employees
- Marketing tool and decision criteria for applicants



Focus on Digitalization of our Business Processes

Robotic Process Automation and similar Technologies used across our Business

Process Mining

Analysis and interpretation of digital process flows across system landscape

Use Case: Realtime analysis of the purchase to pay process



Software robots automate manual work

Use Case: Automation of accounting tasks

Use Case: Automation of dialog processes



Robotic Process Automation

Software as a Service

Cloud-based platforms for core operations

Use Case: Core (D)OOH booking and layout platform

Use Case: Customer relationship management platform

Platform technology to newly design and optimize process flows

Use Case: OOH internal sales workflows

Use Case: Accounting workflows between ERP and operative systems

Business Process Management

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Ströer Group's Key Performance Indicators – Guidance 2020

For 2020 as a whole, we expect sales and earnings growth in the mid single-digit percentage range and are looking forward to a strong start to the new financial year.

Financial Calendar 2020

Q4 2019

November 13th
Publication of Q3 Quarterly Statement

November 25th/26th
Analysts' Conference Frankfurt/London

Q1 2020

March 3rd
Publication of Preliminary figures 2019
Guidance 2020

March 30th
Annual Financial Report and Proposal of Dividend

Q2 2020

May 12th
Publication of Q1 Quarterly Statement

June 30th
Annual General Meeting

Q3 2020

August 13th
Publication of Half-Yearly Financial Report

Q4 2020

November 12th
Publication of Q3 Quarterly Statement



OOH+

Appendix

Profit and Loss Statement Q4 2019

Continuing Operations

preliminary and unaudited

m€	Q4 2019	Q4 2018	▲ %
Revenues	468.1	448.2	+4%
EBITDA (adjusted)	183.3	179.0	+2%
Exceptional items	-10.7	-5.1	<-100%
EBITDA	172.6	173.9	-1%
Depreciation & Amortization*	-94.9	-92.5	-3%
EBIT	77.7	81.4	-5%
Financial result*	-9.8	-10.7	+8%
Tax result	-13.7	-13.0	-6%
Net Income	54.1	57.8	-6%
Adjustments**	28.1	23.4	+20%
Net Income (adjusted)	82.3	81.2	+1%

Note: Disposal of D+S 360⁰ Group and OoH Turkey classified as discontinued operations

*Thereof attributable to IFRS 16 in D&A 47.0m€ (PY: 44.0m€) and in financial result 4.8m€ (PY: 5.0m€)

**Adjusted for exceptional items (+10.7m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +17.1m€), in financial result (+2.2m€) and in income taxes (-1.7m€)

preliminary and unaudited

Free Cash Flow Perspective Q4 2019

Continuing Operations

m€	Q4 2019	Q4 2018
EBITDA (adjusted)	183.3	179.0
- Exceptional items	-10.7	-5.1
EBITDA	172.6	173.9
- Interest	-9.0	-10.6
- Tax	-7.2	-0.4
-/+ WC	+36.2	+36.4
- Others	+8.5	-10.1
Operating Cash Flow	201.1	189.3
Investments (before M&A)	-34.9	-23.2
Free Cash Flow (before M&A)	166.2	166.0
Lease liability repayments (IFRS 16)*	-55.9	-45.5
Free Cash Flow (adjusted)**	110.4	120.5

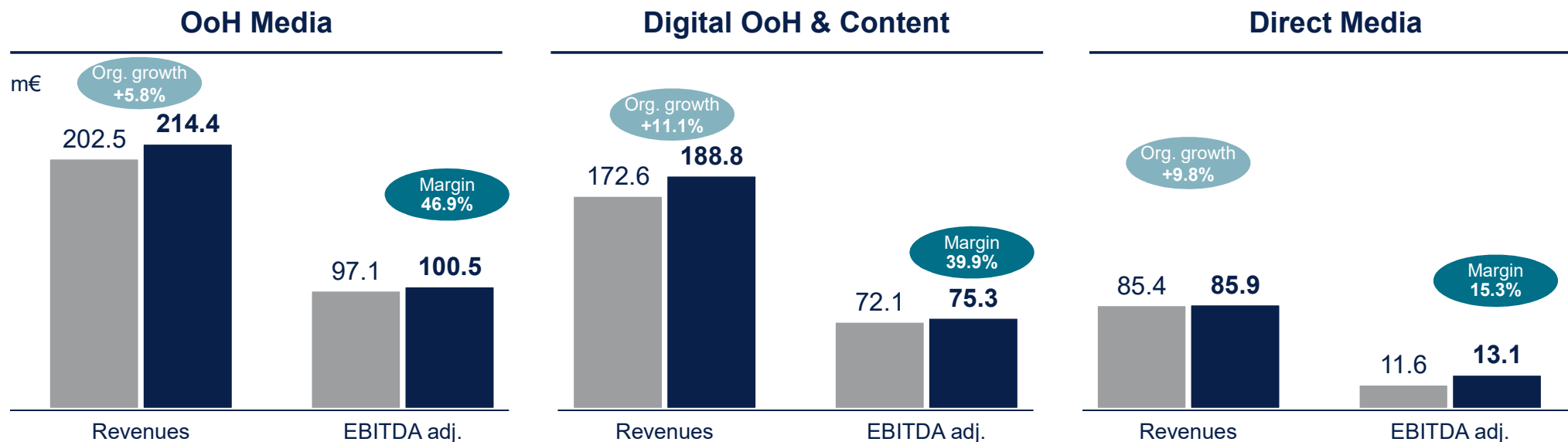
Note: Disposal of D+S 360° Group and OoH Turkey classified as discontinued operations

*Part of cash flow from financing activities

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

Segment Perspective Q4 2019

preliminary and unaudited



Note: Disposal of D+S 360° Group and OoH Turkey classified as discontinued operations

■ Q4 2018 ■ Q4 2019 ■ Organic growth rate ■ Margin