



STRÖER

Digitizing OoH & Gaining Share: Preliminary and unaudited Figures for Q4 & FY 2022

March 3rd, 2023 | Ströer SE & Co. KGaA

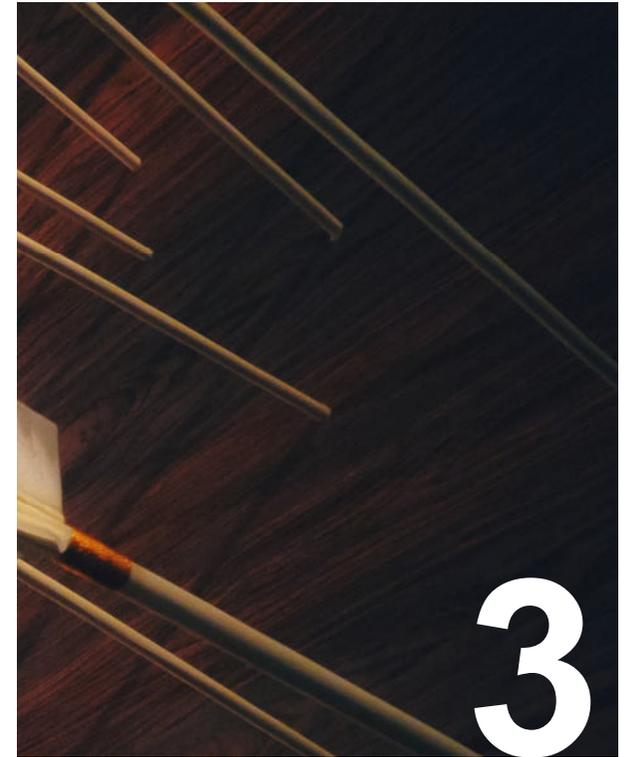
Agenda



Group Update



Financials



Outlook

Preliminary Results FY 2022

m€		FY 2021	FY 2022	▲
Revenues	Reported growth	1,627.3	1,771.9	+9%
	Organic growth ⁽¹⁾	+13.2%	+9.3%	-3.9%pts
EBITDA (adjusted)		513.3	541.4	+5%
EBIT (adjusted)		249.1	265.2	+6%
Net income (adjusted) ⁽²⁾		170.2	171.5	+1%
Operating Cash Flow		426.5	410.9	-4%
Capex		101.4	162.6	+60%
Adjusted earnings per share ⁽³⁾		2.86 €	2.88 €	+1%

Note: New organic growth calculation with 12 months delayed recognition of acquisitions (applied from fiscal year 2022)

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

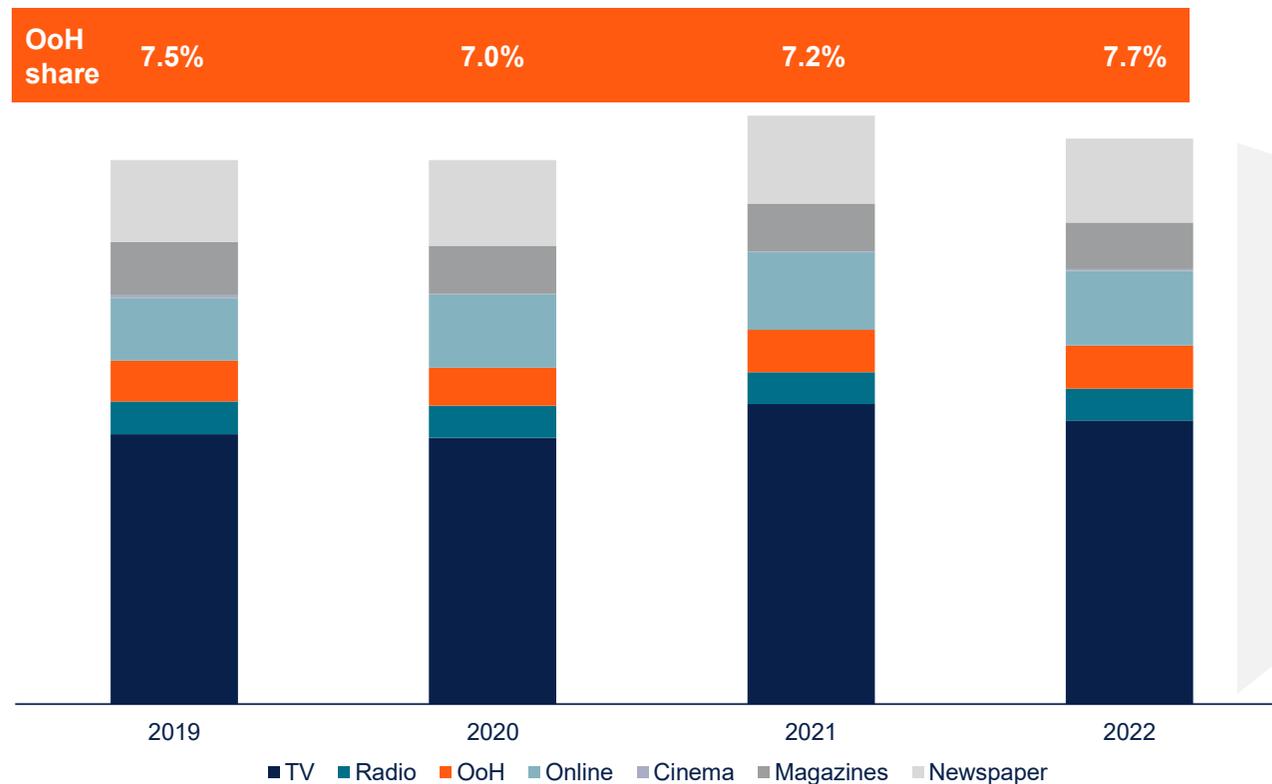
⁽²⁾Adjusted for exceptional items and additional other reconciling factors in D&A (PPA related amortization and impairment losses), in financial result and in income taxes

⁽³⁾After minorities

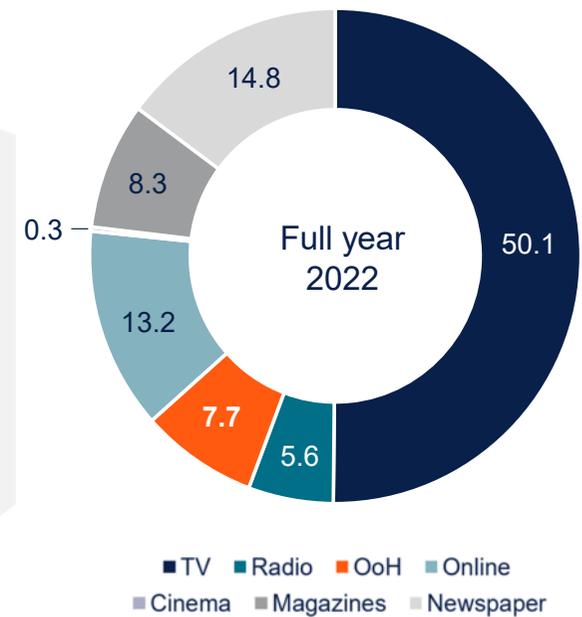
Full Post-Pandemic Market Share Recovery of Out-of-Home

OoH Share steadily outperforming an increasingly challenged Ad Market

Gross spendings per medium



Gross spendings total ad market in %



Source: Nielsen Media Research, gross advertising spend without mailing, total market: OoH, TV, Radio, Magazines, Newspaper, Online, Cinema; other channels not mentioned. Online excluding Search & Social

Full Year Market Dynamics: Strong Business, strong DOoH Dynamics

Outperforming local German Competition by ~15 Points

Global Points of Reference

Local German Peers

Ströer Group & Core Business



*Nielsen Numbers (gross) for 2022 (first annual financial statements; without Direct Mail); reported net numbers of public companies indicated similar or slightly worse trend on net revenue basis

H2 Market Dynamics: Resilient Business, strong DOoH Dynamics

Outperforming Local German Competition by 10-15 points

Global Points of Reference



Local German Peers



Ströer Group & Core Business



*Nielsen Numbers (gross) for 2022 (first annual financial statements; without Direct Mail); reported net numbers of public companies indicated similar or slightly worse trend on net revenue basis

January 2023 Market Dynamics: OoH outperforming the Ad Market

Further, substantial Market Share Gains in declining Market

Global Points of Reference

Local German Peers

Ströer Group & Core Business

Alphabet n/a
Youtube n/a
Meta n/a

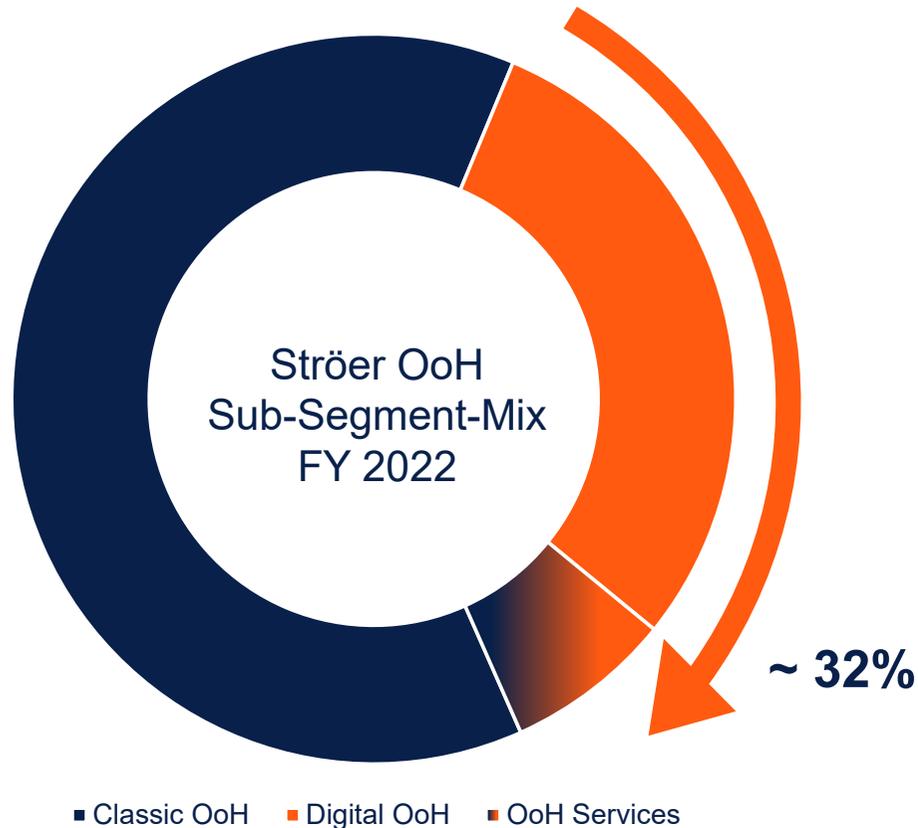
Desktop/Mobile* -19%	German Ad Market* -7%
TV Germany* -10%	Print Germany* +1%
Radio Germany* +2%	OoH Germany* +0%

Ströer DOoH double digit
Ströer OoH mid single digit
Ströer Group mid single digit

*Nielsen Numbers (gross) for January 2023 (without Direct Mail)

Three Key Drivers for resilient Performance of Core OoH Business

In parallel: Downside Protection in challenging Times



1. The **digitization** of inventory + higher demand incl. programmatic driving DOoH share (DOoH meanwhile almost 1/3 of our OoH business)
2. > 60% of OoH revenue coming from highly resilient (thousands of) **local customers**
3. > 60% OoH market share in a (fully) **consolidated market**

DOoH Rollout Plans accelerated (1)

Investment in Infrastructure despite rough Business Conditions

Number of Public Video Screens		Total inventory in 2022	Thereof built in 2022	2022 – 2026	2026 unchanged
Premium Roadside Screens	medium >2m ²	772	729 on top (+1,000 until Q1/2023)	~ Ø 500 on top per year	3,500+ (max potential ~ 7,000 by 2026)
	large ~9m ²	949			
	x-large <40m ²	68			
	TOTAL	1,789			
Premium Indoor Screens	public transport	821	377 on top (>90% in top 10 cities)	~ Ø 300 on top per year	6,800+ (max potential ~ 8,000 by 2026)
	train stations	2,192			
	malls (+)*	2,414			
	TOTAL	5,427			
Longtail & 3rd Party Screens	POS	2,255	opportunistic with focus on POS	opportunistic development	90,000+ (max potential ~ 180,000 by 2026)
	Ambient	12,668			
	3rd party	28,506			
	TOTAL	43,429			

*Including top indoor locations like e.g. premium cinemas or large event locations;
Screens: Germany

DOoH Rollout Plans accelerated (2)

New Products in 2022

Launch Public Video City Tower Hamburg



Launch Public Video City Window Bochum



Focus on developing digital prime Locations (1)

Exemplary Sites from 2022 pushing Growth of total digital Network



Focus on developing digital prime Locations (2)

Exemplary Sites from 2022 pushing Growth of total digital Network



Focus on developing digital prime Locations (3)

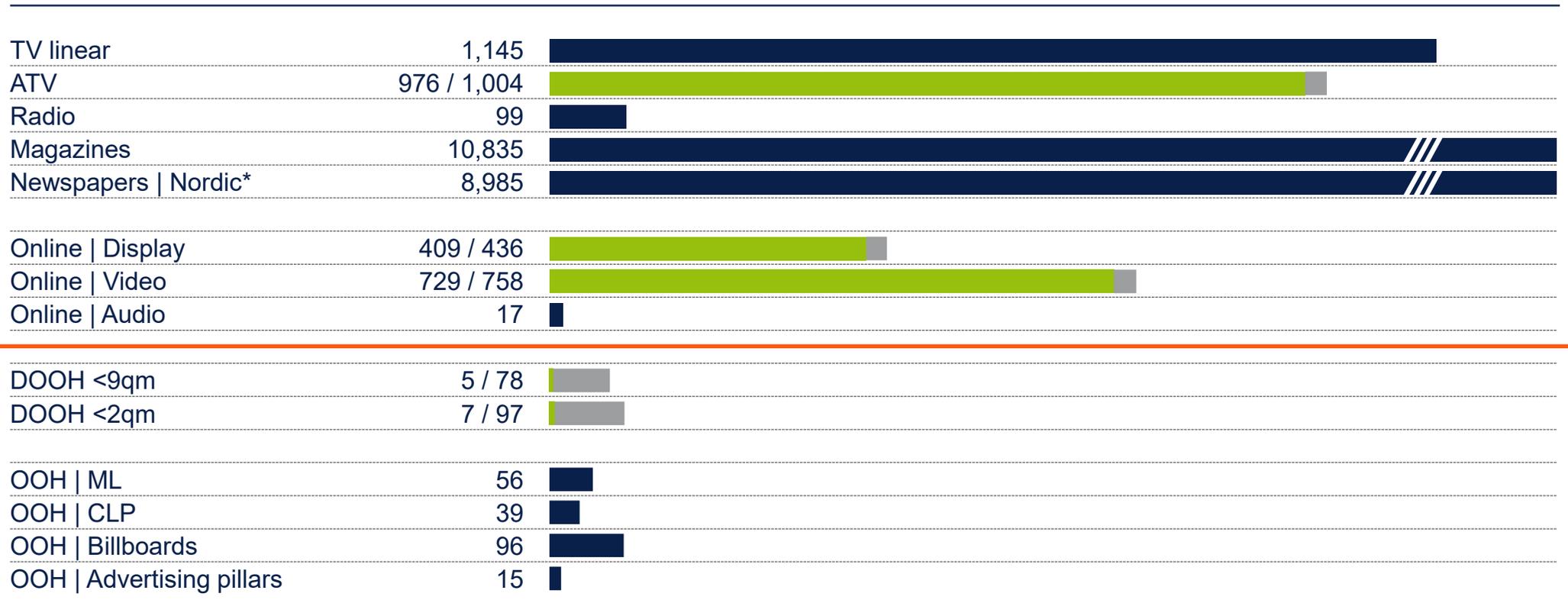
Exemplary Sites from 2022 pushing Growth of total digital Network



Re-Engineering the Advertising Universe in a sustainable Way

(D)OoH significantly supporting the Reduction of Advertisers' Carbon Footprint

CO₂ emissions for 1,000 contacts in grams

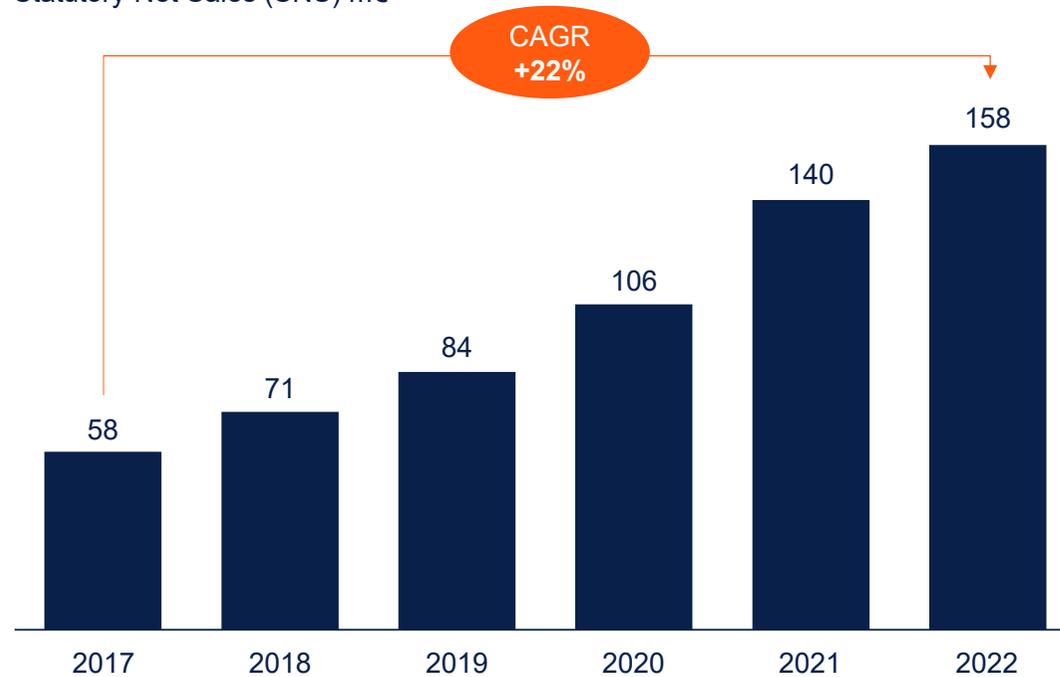


Calculation based on green electricity/ gray electricity/ unspecified electricity mix; Source: Green GRP Online Calculator (as of Dec 2021), assuming usual circulation-contact ratio for magazines and newspapers. OoH contact calculation to convert number of advertising spaces into contacts according to SID 4.5
 *Nordic format: e.g. FAZ, Bild

Asam: Continuous growth through the crisis

Continuation of the Success Story in 2022 in highly challenging Context

Statutory Net Sales (SNS) m€

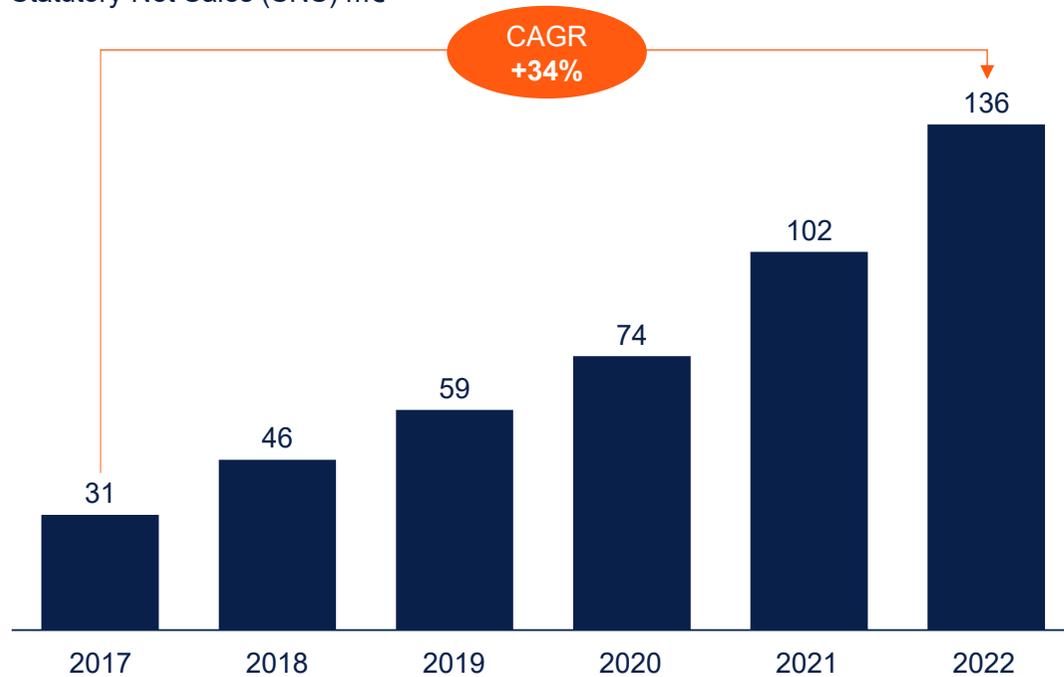


1. Business development in line with midterm plans, top-line more than doubled in the last 5 years
2. Strong beauty performance products with unchanged excellent gross margin profile
3. Successful shift to eCommerce over the years
4. Macro-environment triggered adjustment of international roll-out plans in 2022

Statista: Statutory net Sales CAGR 34% over the last Years

Constant Improvement of Product, Organization and KPIs and global network

Statutory Net Sales (SNS) m€



1. Business on track to achieve 250m sales¹ by 2025
2. US largest market with >1/3 of sales¹ in 2022
3. Profitability improved despite economic headwinds and further investments in global growth and platform quality
4. Latest AI/ChatGPT developments open up new productivity opportunities

1) Non-GAAP billings without deferral of revenues

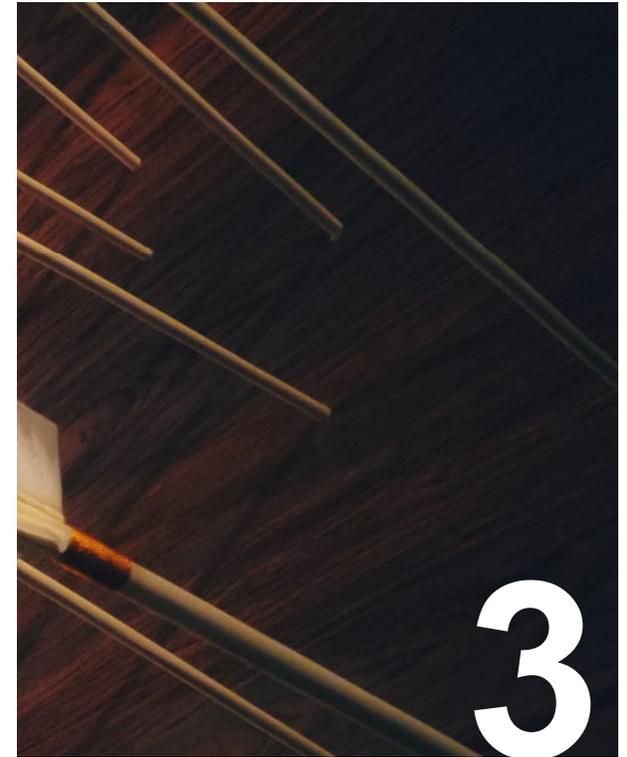
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Financials



Outlook

Profit and Loss Statement FY 2022

m€	FY 2021	FY 2022	▲
Revenues	1,627.3	1,771.9	+9%
Organic growth	+13.2%	+9.3%	-3.9%pts
EBITDA (adjusted)	513.3	541.4	+5%
Exceptional items	-5.9	0.8	n/a
EBITDA	507.3	542.2	+7%
Depreciation & Amortization ⁽¹⁾	-310.1	-303.5	+2%
EBIT	197.3	238.7	+21%
Financial result ⁽¹⁾	-28.6	-27.9	+2%
EBT	168.7	210.8	+25%
Tax result ⁽²⁾	-38.5	-59.0	-53%
Net Income	130.3	151.8	+17%
Adjustments ⁽³⁾	39.9	19.7	-51%
Net Income (adjusted)	170.2	171.5	+1%

Note: New organic growth calculation with 12 months delayed recognition of acquisitions (applied from fiscal year 2022)

⁽¹⁾Thereof attributable to IFRS 16 in D&A 197.0m€ (PY: 193.9m€) and in financial result 16.9m€ (PY: 17.8m€)

⁽²⁾Tax rate according to IFRS is 28.0% (PY: 22.8%)

⁽³⁾Adjusted for exceptional items (-0.8m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +27.3m€), in financial result (-2.3m€) and in income taxes (-4.4m€)

Profit and Loss Statement Q4 2022

m€	Q4 2021	Q4 2022	▲
Revenues	527.2	525.7	-0%
Organic growth	+16.2%	+0.5%	-15.7%pts
EBITDA (adjusted)	194.4	187.5	-4%
Exceptional items	-0.3	-4.6	>-100%
EBITDA	194.0	182.9	-6%
Depreciation & Amortization ⁽¹⁾	-78.9	-83.9	-6%
EBIT	115.1	99.0	-14%
Financial result ⁽¹⁾	-7.1	-10.2	-44%
EBT	108.0	88.8	-18%
Tax result ⁽²⁾	-23.7	-29.9	-26%
Net Income	84.4	58.9	-30%
Adjustments ⁽³⁾	2.4	8.4	>+100%
Net Income (adjusted)	86.8	67.3	-22%

Note: New organic growth calculation with 12 months delayed recognition of acquisitions (applied from fiscal year 2022)

⁽¹⁾Thereof attributable to IFRS 16 in D&A 52.6m€ (PY: 51.8m€) and in financial result 5.6m€ (PY: 4.5m€)

⁽²⁾Tax rate according to IFRS is 33.6% (PY: 21.9%)

⁽³⁾Adjusted for exceptional items (+4.6m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +6.9m€), in financial result (-0.8m€) and in income taxes (-2.4m€)

Free Cash Flow Perspective FY 2022

m€	FY 2021	FY 2022
EBITDA (adjusted)	513.3	541.4
- Exceptional items	-5.9	0.8
EBITDA	507.3	542.2
- Interest	-26.3	-27.3
- Tax	-33.0	-55.5
-/+ WC	-21.5	-32.9
-/+ Others	-0.1	-15.5
Operating Cash Flow	426.5	410.9
Investments (before M&A)	-101.4	-162.6
Free Cash Flow (before M&A)	325.1	248.3
Lease liability repayments (IFRS 16) ⁽²⁾	-178.1	-197.9
Free Cash Flow (adjusted)⁽³⁾	147.0	50.4

⁽¹⁾Net debt and adj. EBITDA of last 12 month adjusted for IFRS 16

⁽²⁾Part of Cash Flow from financing activities; ⁽³⁾Before M&A and incl. IFRS 16 lease liability repayments

Comment

- Operating Cash Flow includes catch-up effect in tax payments and decrease in Others due to adjustment of non-cash items, mostly deriving from the first nine months
- Working capital reflects expansion of Plus businesses
- Record high investments in 2022 particularly in digitization of advertising units in OoH Media segment
- Increased IFRS 16 repayments include higher minimum lease obligations and phasing effects
- Net Debt with decline compared to Q3 despite share buyback - bank leverage ratio⁽¹⁾ at 2.2x



Segment Perspective – OoH Media

m€	Q4			FY		
	2021	2022	▲	2021	2022	▲
Segment revenue, thereof	256.3	249.8	-2.6%	700.8	790.9	+12.9%
Classic OoH	159.9	150.8	-5.7%	473.7	497.9	+5.1%
Digital OoH	79.6	82.5	+3.6%	173.8	233.7	+34.4%
OoH Services	16.8	16.5	-1.4%	53.3	59.3	+11.4%
EBITDA (adjusted)	140.8	127.1	-9.7%	335.9	373.0	+11.1%
EBITDA margin (adjusted)	54.9%	50.9%	-4.0%pts	47.9%	47.2%	-0.8%pts

Comment

- OoH Media outperforming the market with ongoing growth in revenue and EBITDA (adj.) for FY despite more challenging market conditions with softening demand from national key accounts
- Q4 with stable segment revenue adjusted for tobacco in declining advertising market; FY growth ex tobacco at 16%
- Revenue growth especially driven by Digital OoH with a share of now 30% FY (PY: 25%) showing customer acceptance and demand for larger digital portfolio
- EBITDA (adj.) following revenue development; margin roughly on PY level despite challenging Q4

Segment Perspective – Digital & Dialog Media

m€	Q4			▲	FY		
	2021	2022			2021	2022	▲
Segment revenue, thereof	228.2	215.8		-5.4%	733.9	743.7	+1.3%
Digital	142.1	111.7		-21.4%	429.5	387.6	-9.8%
Dialog	86.1	104.1		+20.9%	304.3	356.1	+17.0%
EBITDA (adjusted)	61.4	63.4		+3.2%	187.4	177.8	-5.1%
EBITDA margin (adjusted)	26.9%	29.4%		+2.5%pts	25.5%	23.9%	-1.6%pts

Comment

- FY revenue decrease in Digital (online advertising and content publishing) against high prior year comps due to less traffic on own platforms in deteriorating market, changes in publisher portfolio and technical effect from disposal of international business activities in Q2 2022; continuous strong performance of own special interest portals like GIGA.de, familie.de and kino.de
- Dialog (Call Center and D2D) with ongoing strong revenue growth driven by highly successful direct sales activities for telecommunication products
- Reduced revenues and earnings in Digital partly compensated by Dialog/D2D performance

Segment Perspective – DaaS & E-Commerce

m€	Q4			▲	FY		
	2021	2022			2021	2022	▲
Segment revenue, thereof	67.0	78.4		+17.0%	241.9	294.4	+21.7%
Data as a Service	29.2	35.4		+21.3%	101.8	136.2	+33.7%
E-Commerce	37.8	43.0		+13.8%	140.1	158.2	+13.0%
EBITDA (adjusted)	3.0	4.2		+37.0%	22.1	20.7	-6.1%
EBITDA margin (adjusted)	4.5%	5.3%		+0.8%pts	9.1%	7.0%	-2.1%pts

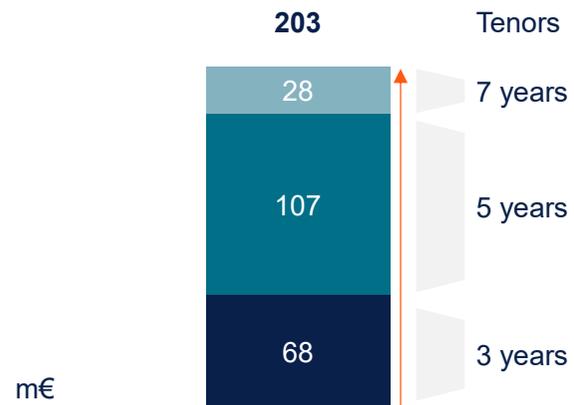
Comment

- Segment with sustainable superior growth
- Statista with continuous revenue growth in national and international business activities in Q4 and FY; growth adjusted for exchange rate effects (mainly US dollar) is +16% in Q4 and +27% FY
- Asam with accelerated growth and sound X-mas business in Q4 in an overall challenging market environment
- EBITDA (adj.) improvement and margin increase in Q4 support solid FY results despite continued expansion and cost inflation

Successful Refinancing of more than 850m€

Balanced Maturity Profile

Note loan



- **Covenants** unchanged
- **ESG Linked**
+/- 2.5 bps p.a. margin adjustment according to MSCI ESG-Score

Facility Agreement



- **Covenants** unchanged
- **Facility** RCF
- **Increase Option** 100m€
- **Reasonable terms**
- **Documentation** LMA based

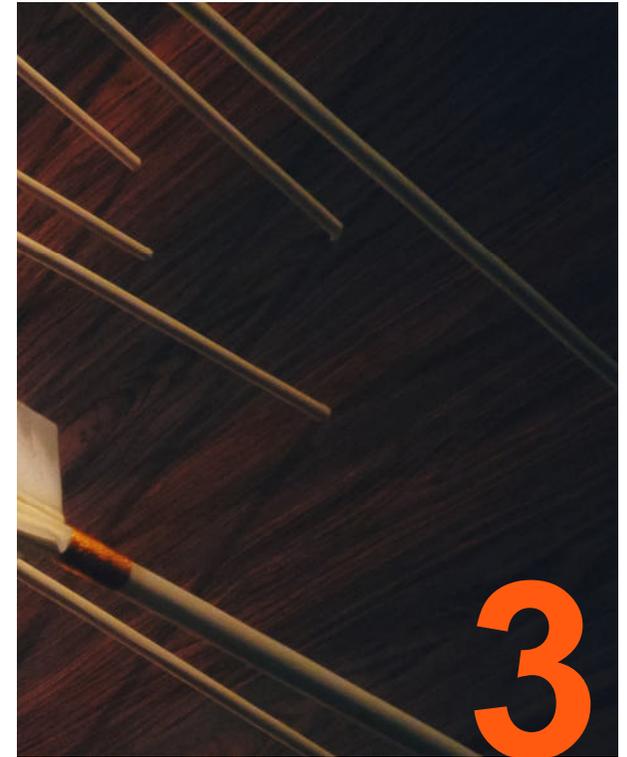
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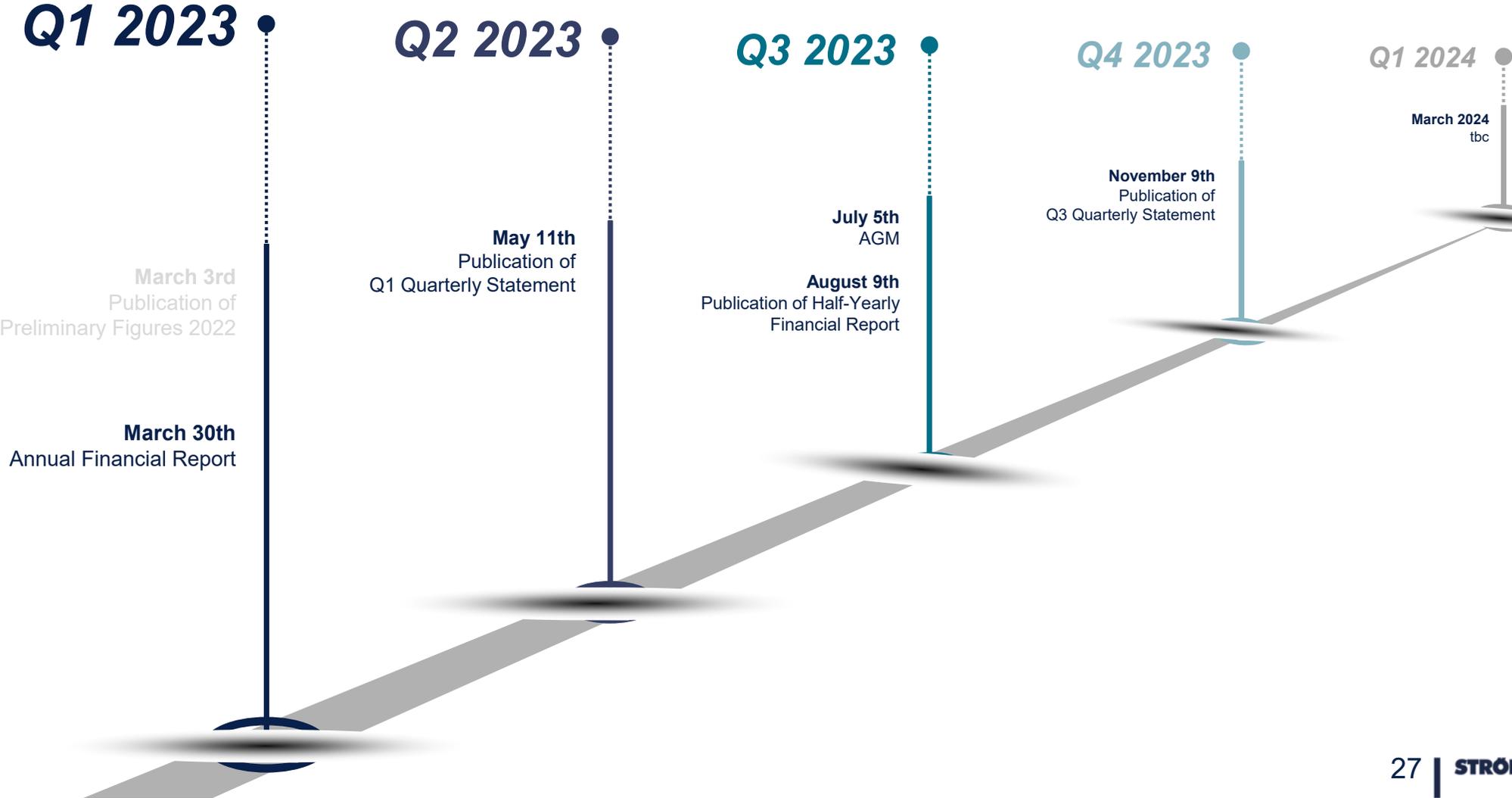
Outlook

2023 – Outlook

- For the **first quarter 2023**, the Group expects organic revenue **growth in the mid single digit range**.
- In parallel, we see the German ad market declining high single digit and therefore Ströer **outperforming the market by 10-15 points**.
- Given the **macro-environment-driven market volatility** in the last quarters, we will specify in more details the growth expectations for the rest of the year in the Q1 earnings call.
- We see our **structural growth drivers unchanged**: Digitization of OoH, sustainably growing SME business backbone, client access via Plus businesses, value growth of non-core assets.



Financial Calendar 2023



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OOH⁺