



STRÖER

Commerzbank's German Investment Seminar 2021

Q3 2020 – Recovering in challenging Context

January 11th, 2021 | Ströer SE & Co. KGaA

AGENDA

01

Strategic Reassurance

02

Business Update

03

Financial Status

04

Outlook

Results 9M 2020

Continuing Operations

m€		9M 2020	9M 2019	▲
Revenues	Reported	987.4	1,123.1	-12%
	Organic ⁽¹⁾	-11.0%	7.2%	-18.2%pts
EBITDA (adjusted)		310.6	387.2	-20%
EBIT (adjusted)		90.2	175.0	-48%
Net income (adjusted) ⁽²⁾		59.3	128.2	-54%
Operating cash flow		238.2	282.6	-16%
Capex		93.2	78.7	+19%

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

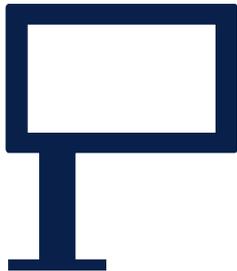
⁽¹⁾Excluding exchange rate effects and effects from (de)consolidation and discontinuation of operations

⁽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

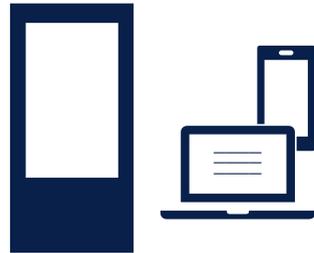
Q3 outperforms original Expectations by more than 10 Points

OoH & Public Video recovering faster than expected | Non-OoH fully back on Track

OoH Media



Digital OoH & Content



Direct Media



IX vs. PY	Trend mid of August	Results
Q3	~ 65-70	76

- Germany slightly stronger than Poland and non-German blowUp business
- Constant month-over-month improvement with continuing trend in October (~ IX 95)
- Local sales back at pre-COVID level; national and regional campaigns still catching up

IX vs. PY	Trend mid of August	Results
Q3	~ 85-95	103

- Public Video with -15% with stronger recovery than OoH; Programmatic already at IX 100
- Portals (i.e. T-Online) and AdSales (3rd Party inventory) with strong 7% organic growth
- Statista with more than 30% growth almost stronger than pre-COVID-performance

IX vs. PY	Trend mid of August	Results
Q3	~ 105	120

- Dialog business (contact centers) overall with strong 10% organic growth
- Door-to-Door business even with catch-up effects from Q2 beyond 20% growth
- Asam sustainably outperforming pre-COVID-growth at +25%

Six Key Learnings from meanwhile 8 Months of Pandemic

Extremely robust Setup for Crisis | Long-term strategic Drivers fully intact

Q3



Key Messages for Q3

1. Focus on a very robust country allows an extremely fast response to the crisis and i.e. a tight management of the semi-flexible cost structure
2. Non-OoH-Businesses (“PLUS”) stable through the crisis and quickly at or above pre-COVID-level
3. Out-of-Home rebounding quickly in a V-shape as soon as the audience recovers after the lockdown; Digital Out of Home with faster recovery (although it is more exposed to transport)
4. Overall advertising market with a stronger shift towards digital, technology/programmatic and data
5. Leading market position helps to gain market share in rebound phase to accelerate further consolidation
6. A diversified client portfolio (from local to national and across all industries) helps both in the crisis as well in the recovery phase

Forecast



Globally unique OoH+ Strategy with One-Market-Focus

COVID-19 a Bump in the Road for our Long-Term Targets

Robust advertising market vs. economic deviations in Germany



Proprietary tech stack & strong programmatic and data 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



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03

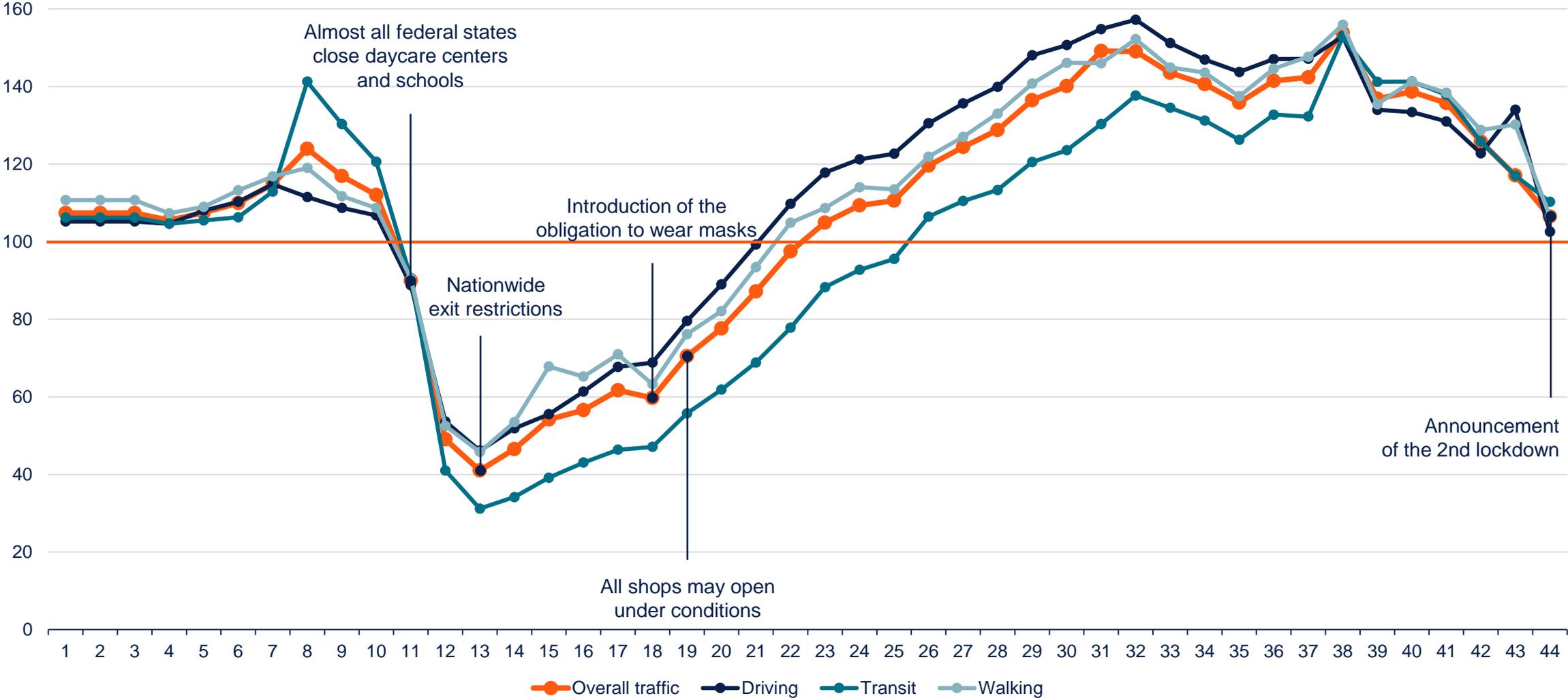
Financial Status

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Outlook

German Mobility in Times of Crisis (1)

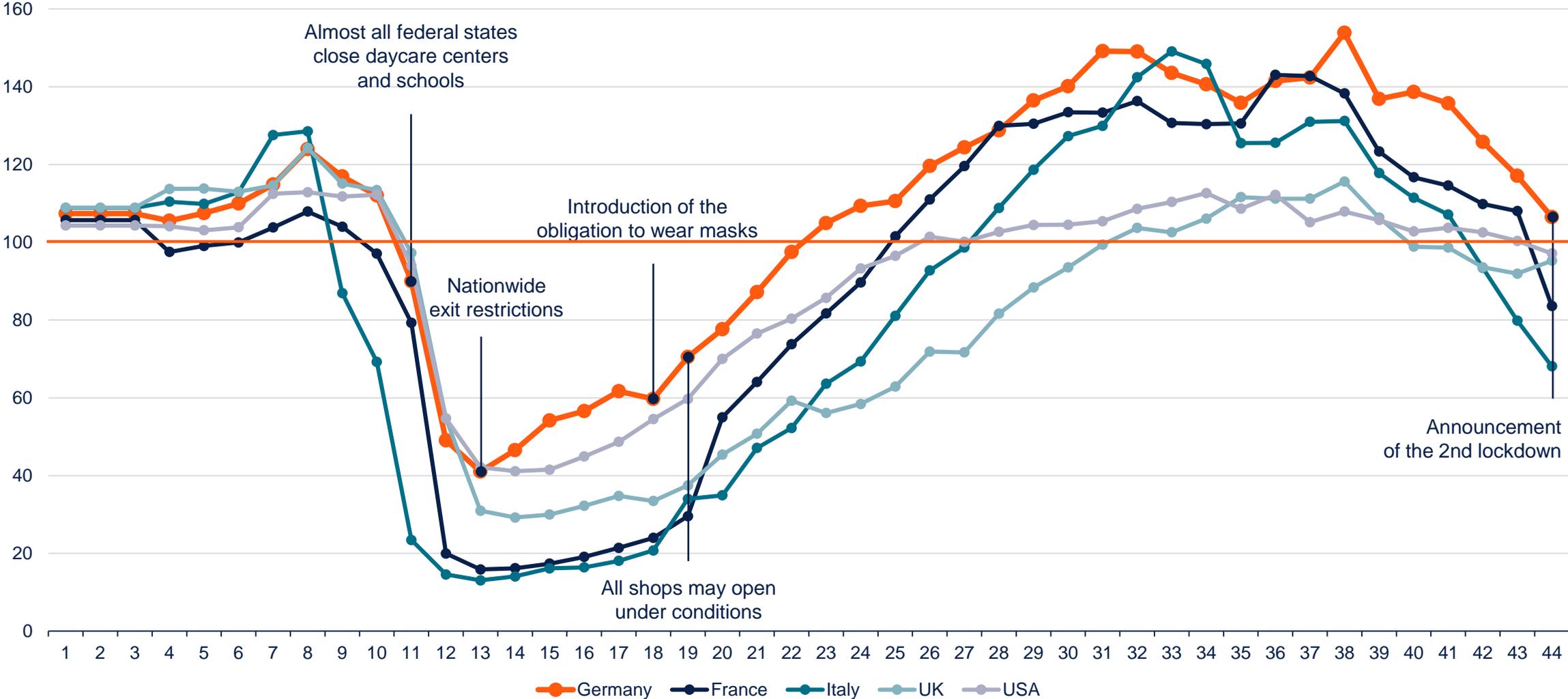
V-Shape Recovery of Audience after 1st Wave; currently still robust Traffic



Source: Apple data (<https://www.apple.com/covid19/mobility>); Mobility Index (January 13 = Index 100)

German Mobility in Times of Crisis (2)

Generally at a higher Level than in almost all other Countries

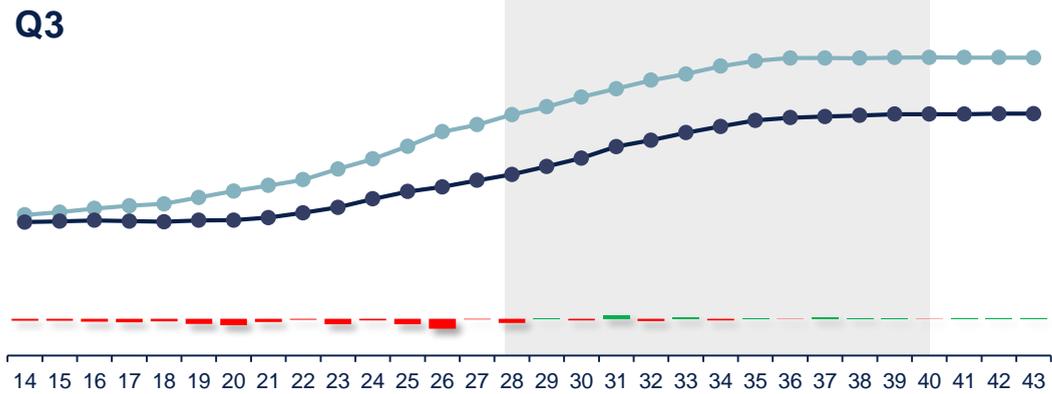
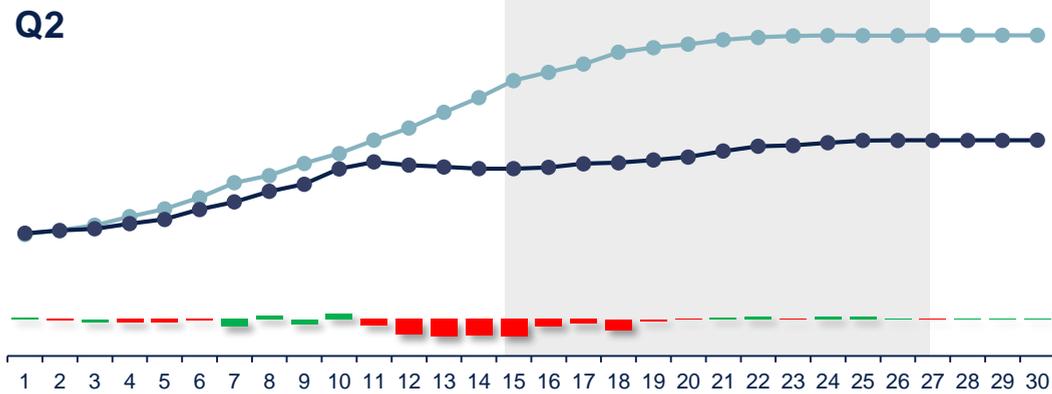


Source: Apple data (<https://www.apple.com/covid19/mobility>); Mobility Index (January 13 = Index 100)

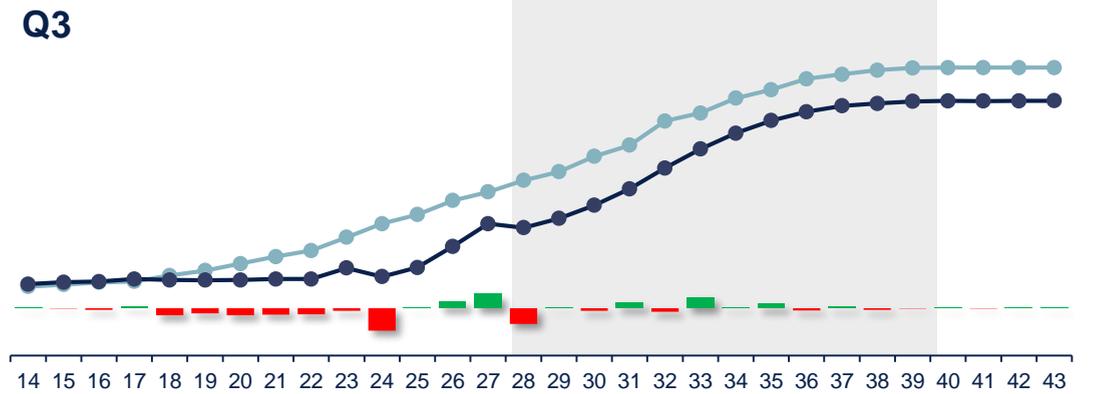
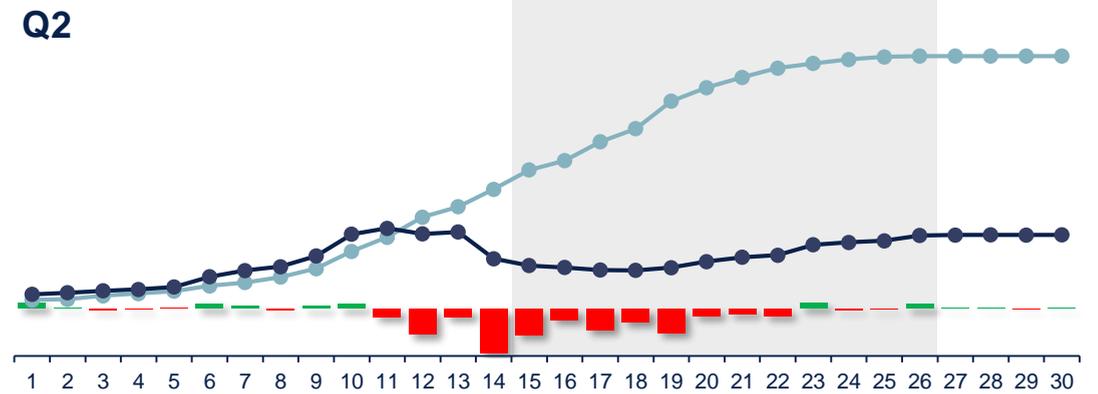
Weekly Orderbook Development – Q2 & Q3 2019 vs. 2020

Peak of Crisis Week 11-24 | Normalized Order Intake since then

Classic OoH formats: Revenue inflow



Public Video: Revenue inflow

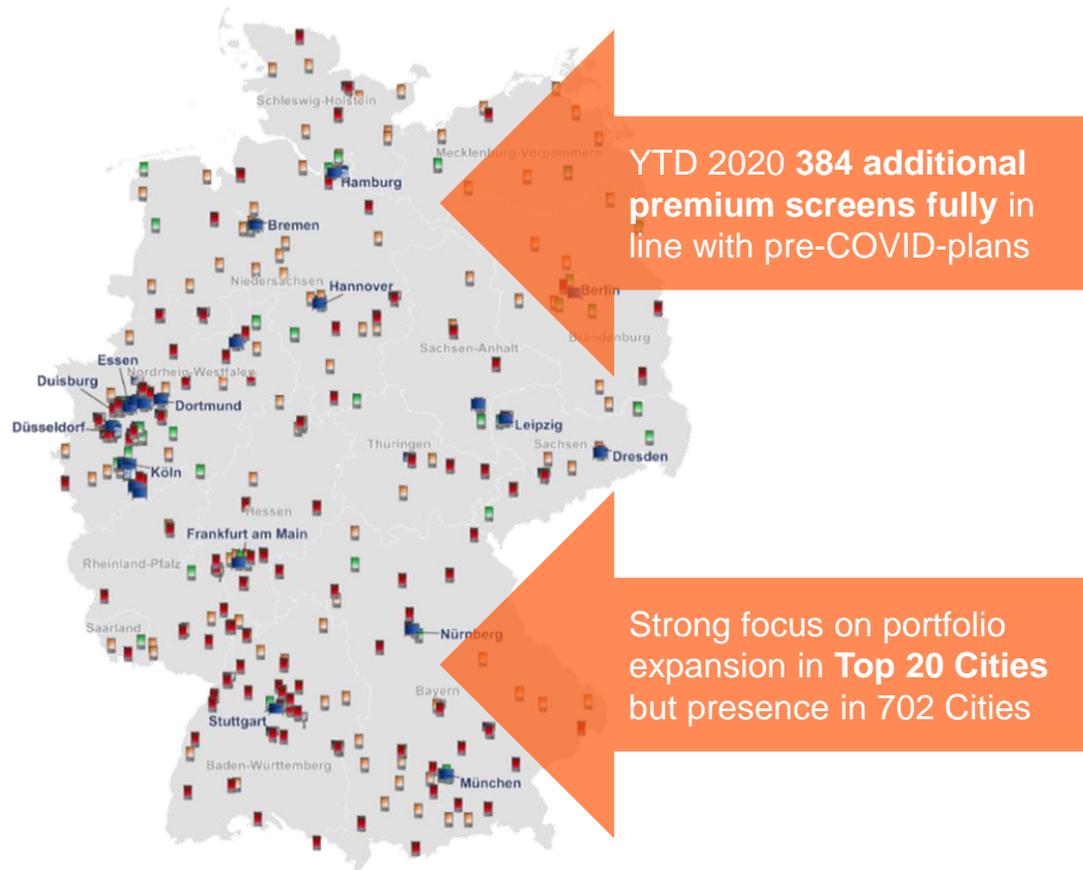


Weekly Order Intake Deviation vs. PY 2019 2020

Ströer with unparalleled Setup in the Growth Industry DOoH

Market Leader Position extended throughout the Crisis Development so far

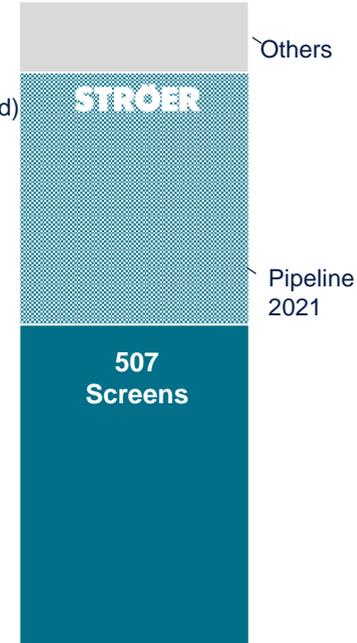
End of Q3 in total 79,921 screens reaching >85% of total population



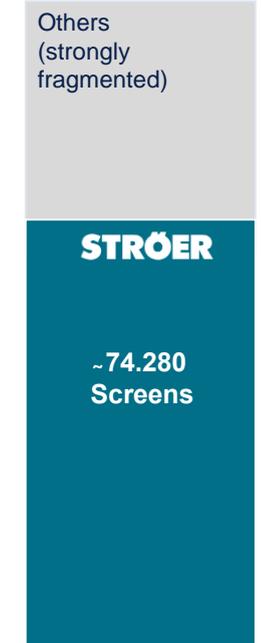
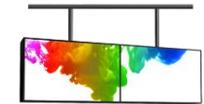
Public Video Network



Roadside Screens



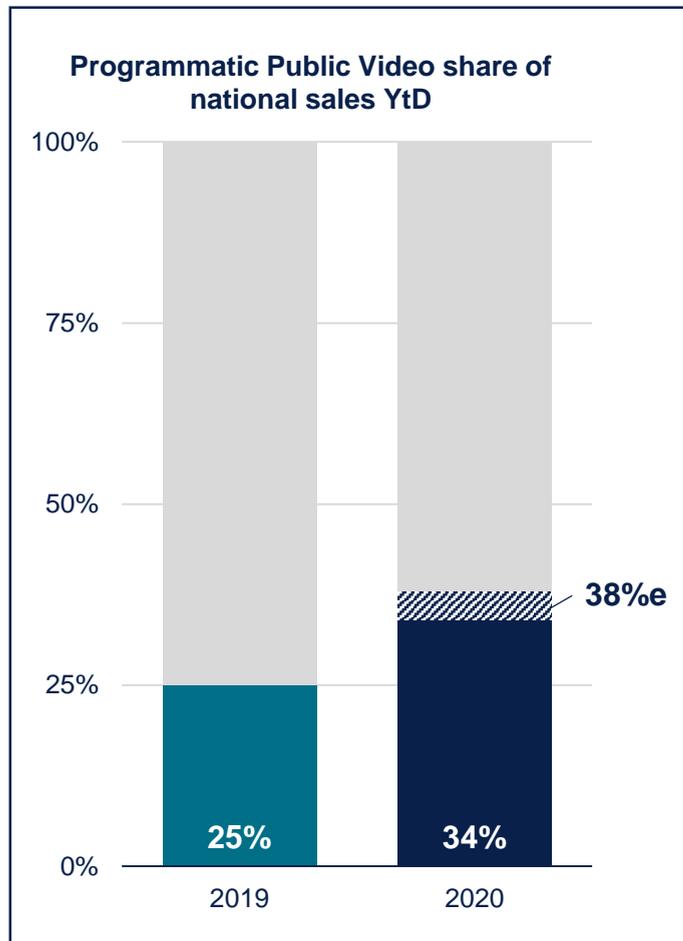
POS/Digital Signage



Further Shift towards Programmatic DOoH throughout the Crisis

Trading Automation and Data Key Driver across all Digital Media

Performance



Strategy

- Programmatic Public Video has been firmly established for over 2 years and is being **continuously expanded**
- The development of **flexible delivery via ad server** as the basis of Programmatic PV leads to rapid growth (strong double-digit growth in the last 2 years)
- All major DSPs besides Google DBM are now **fully connected**
- **Permanent improve** of product flexibility, quality and versatility

>52%

Share of programmatically purchased volumes via DSP within the Audience segment, 2020 YtD for Public Video & Online combined

Effect

Public Video

- > 130 programmatically booking customers
- > 6.3 billion impressions delivered
- > 275 million playouts delivered

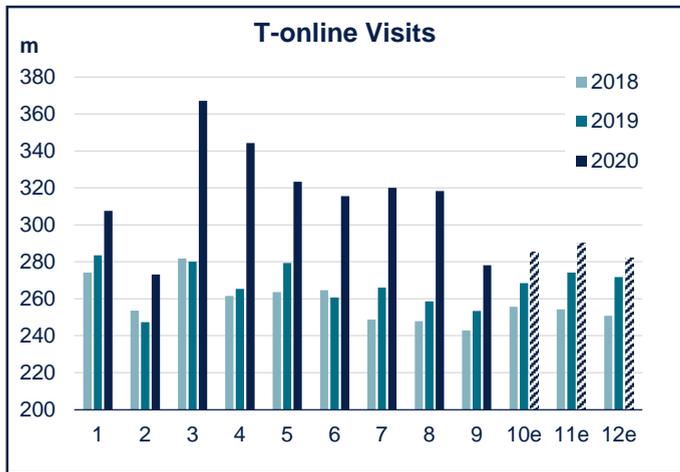
Classical Online Media

- > 18% YOY Growth of Programmatic Revenues (> 150m€ in 2020)
- > 87% YOY Growth in Privat Market Place Revenues @ Ströer Core (appx 23m€)
- > 4,500 individually negotiated active deals (largest PMP in Germany)

Content & Online Media with strong Development & Data Products

Successful Management of COVID-19 and post-Cookie Challenges

Audience performance



New contextual targeting product via Otto Joint Venture

- Additional website content crawled and classified via NLP into 600 IAB Standard Categories
- Contextual lever adding additional reach of current audience targeting clusters
- Constant improvement: Sentiment Targeting and Brand Suitability to come
- In addition to cookie-based product currently best positioned

```

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1st

2nd

IAB16-7	Veterinary Medicine
IAB17	Sports
IAB17-1	Auto Racing
IAB17-2	Baseball

Pokalduelle zwischen Eintracht Frankfurt und dem FC Bayern sind in den letzten Jahren stets besonders gewesen. 2018 kam es zu einem besonderen Finale zwischen den beiden Teams. In diesem Jahr treffen sie früher aufeinander.

Der FC Bayern München hat im Halbfinale des DFB-Pokal ein Heimspiel. Der Rekordsieger empfängt Eintracht Frankfurt. Im anderen Duell hat der 1. FC Saarbrücken aus der Regionalliga Bayer 04 Leverkusen zu Gast. Das ergab die Auslosung am Sonntag durch Losfee Almuth Schult.

Frankfurt denkt an 2018, Bayern an 2006

Das Duell FC Bayern gegen Eintracht Frankfurt ruft bei den Fanlagern beider Teams eine besondere Erinnerung hoch. Im Pokalfinale 2018 trafen die Mannschaft aufeinander. Das Spiel ging in einer dramatischen Schlussphase mit 3:1 an Eintracht Frankfurt. Die Anhänger des FC Bayern denken daher lieber an das Endspiel 2006, indem der Rekordpokalsieger mit 1:0 triumphierte.

Dialog Services broadening Customer Base & Product Offering

Increasing Demand allows smarter Yielding of Capacities

Exemplary initiative

Lead generation

- Generation of qualified leads through Media partners (e.g. ProSiebenSat.1)
- 6-digit number of leads p.a. generated via TV formats such as taff, Galileo, Schlag den Star, Fame Maker
- Fully GDPR compliant at competitive price point
- Enrichment of integrated direct media offering – from lead to acquisition
- Clear differentiator in the market
- Further growth via additional partners planned (content portals, additional TV channels)

Effect

BIONTECH

Pharma/Biotech

Global leader in COVID-19 vaccine research

ABOUT YOU[®]

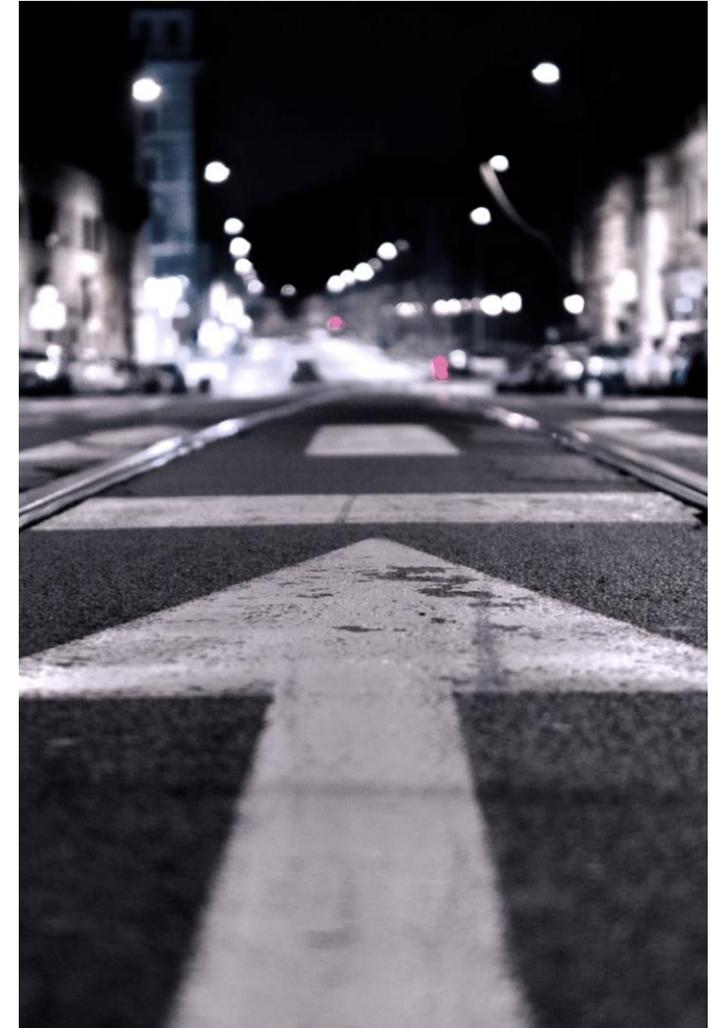
Ecommerce

One of the fastest growing fashion retailers in Europe



Automotive

Global leader cars and mobility



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03

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04

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Profit and Loss Statement Q3 2020

Continuing Operations

m€	Q3 2020	Q3 2019	▲ %
Revenues	355.0	379.5	-6%
EBITDA (adjusted)	125.1	131.4	-5%
Exceptional items	-5.2	-10.2	+49%
EBITDA	119.9	121.2	-1%
Depreciation & Amortization*	-87.9	-90.4	+3%
EBIT	32.0	30.8	+4%
Financial result*	-6.7	-8.3	+19%
Tax result	-3.5	-2.6	-35%
Net Income	21.8	20.0	+9%
Adjustments**	15.4	22.3	-31%
Net Income (adjusted)	37.2	42.2	-12%

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

*Thereof attributable to IFRS 16 in D&A 42.4m€ (PY: 45.8m€) and in financial result 3.6m€ (PY: 5.5m€)

**Adjusted for exceptional items (+5.2m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +13.6m€), in financial result (+0.1m€) and in income taxes (-3.5m€)

Free Cash Flow Perspective Q3 2020

Continuing Operations

m€	Q3 2020	Q3 2019
EBITDA (adjusted)	125.1	131.4
- Exceptional items	-5.2	-10.2
EBITDA	119.9	121.2
- Interest	-5.8	-6.5
- Tax	-3.8	-8.3
-/+ WC	-29.4	-4.3
- Others	+4.1	+4.5
Operating Cash Flow	85.0	106.5
Investments (before M&A)	-29.5	-31.9
Free Cash Flow (before M&A)	55.5	74.6
Lease liability repayments (IFRS 16)**	-41.1	-31.9
Free Cash Flow (adjusted)***	14.4	42.7

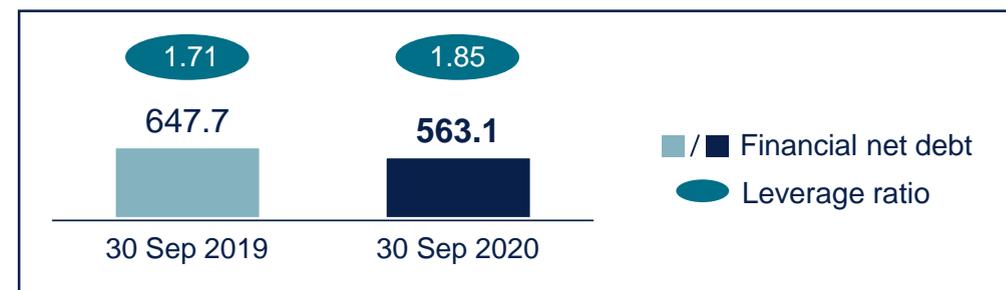
Note: Disposal of D+S 360⁰ Group classified as discontinued operations

*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

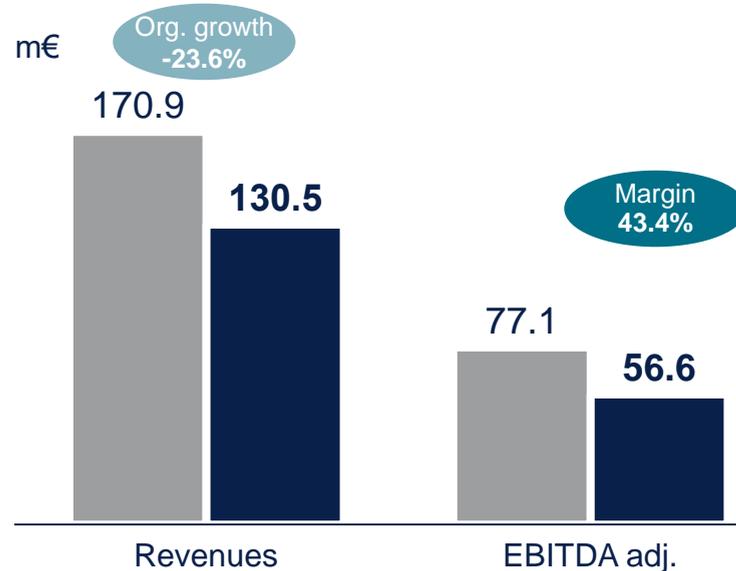
- Solid cashflow performance in Q3 in a challenging market environment
- Earnings on previous year's level
- Working capital development in Q3 2020 reflects substantial business increase from Q2 to Q3 with an increase of receivables (reversal of Q2)
- Sustainable high investments in digitalization, software and other intangibles
- Bank leverage ratio* at 1.9 and is well below target level of 2.5:



Segment Perspective Q3 2020 – Robust Financials in Times of Crisis

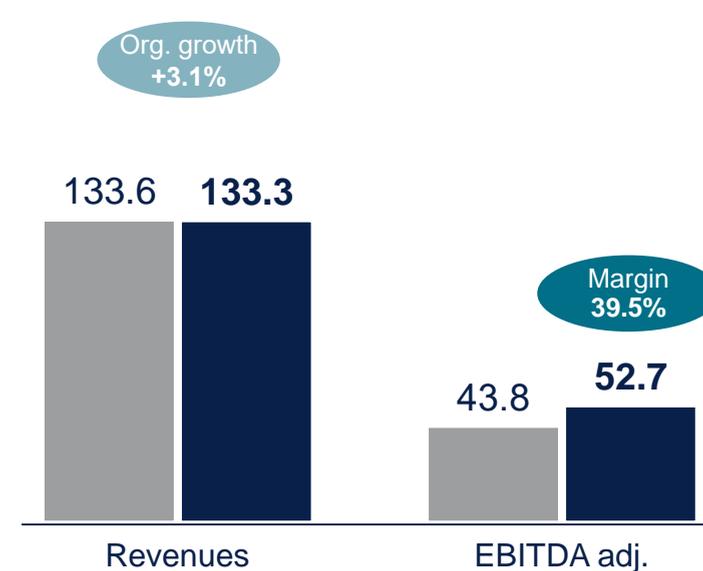
Continuing Operations

OoH Media



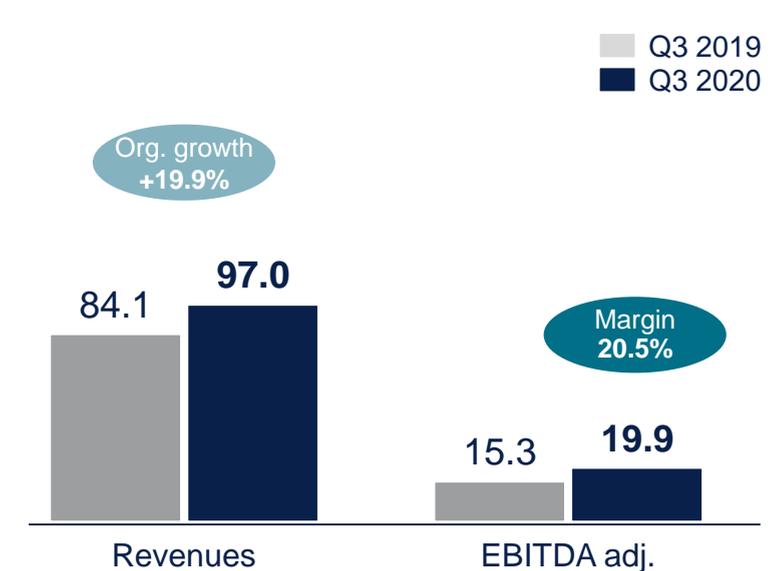
- Still high negative Corona impact, but positive recovery trend after lockdown
- Nearly stable EBITDA margin from tight cost management
- Digital screen build-up mostly on track, business prepared for quick reboot

Digital OoH & Content



- Digital OoH recovering quickly, but still below PY
- Positive growth momentum in online advertising and content publishing
- Statista fully back on growth path

Direct Media



- Fast recovery of D2D business after temporary stop of activities in Q2
- Call Center business with continued growth
- Asam with double digit growth

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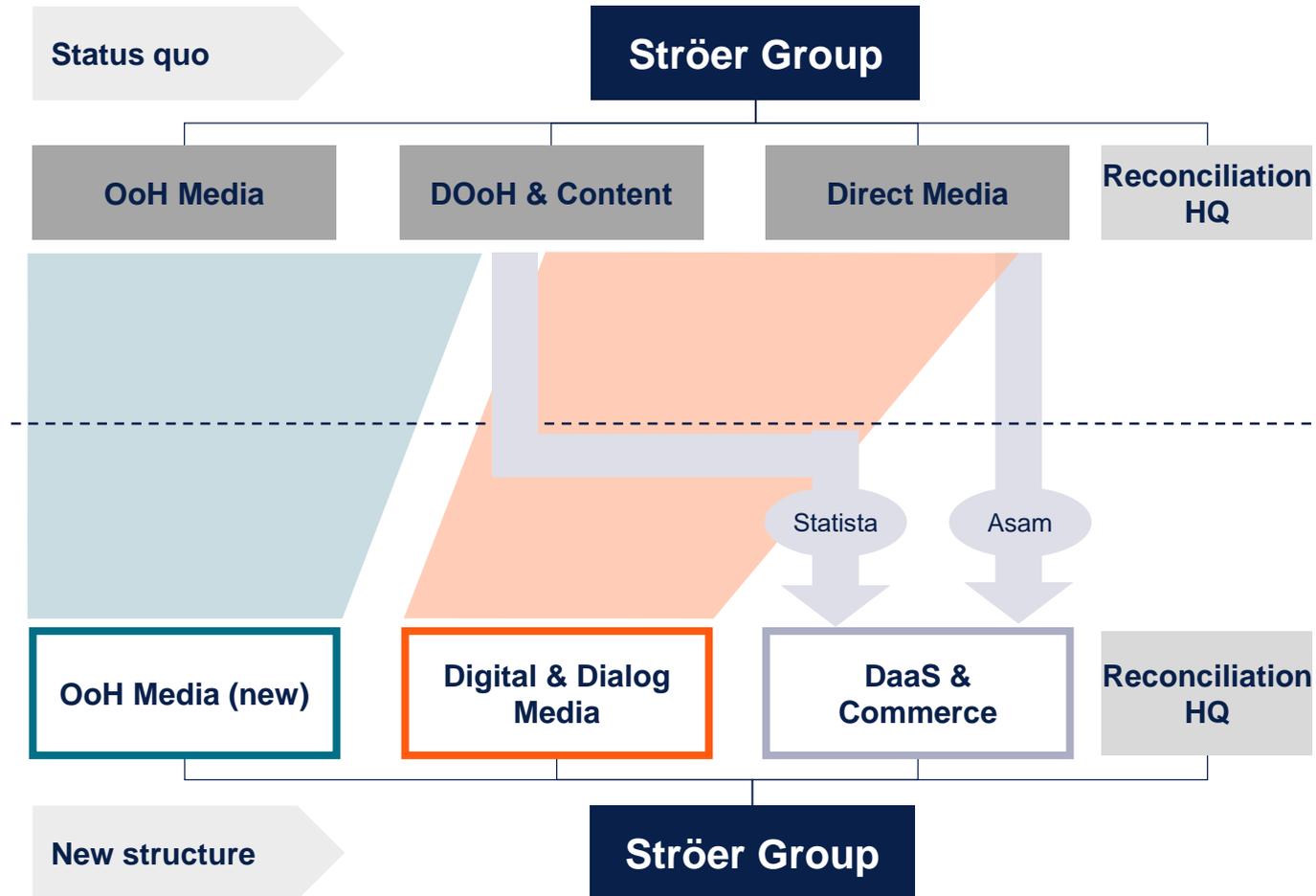
Ströer Group's Key Performance Indicators – Outlook Q4/2020

Based on our orderbook visibility (end of October) and in the light of a still unclear 2nd COVID-19 wave, we expect further stabilization and recovery of our business and revenues in the range of IX 92 to 97 versus previous year for the fourth quarter 2020 and the Group adjusted EBITDA for the full year in the range of 440 to 455m€.



Potential new Segmentation

New Segmentation



Comment

- New structure to reflect business dynamics of the past two years
- Traditional OoH activities and Public Video in one segment
- „PLUS“ activities bundled in one segment
- Non-advertising activities form new segment DaaS & Commerce

Financial Calendar 2021

Q4 2020

November 4th
Annual General Meeting
(virtual)

November 12th
Publication of
Q3 Quarterly Statement

Q1 2021

March 3rd
Publication of Preliminary
Figures 2020
Guidance Update
Update on Review
of Segment Structure

March 30th
Annual Financial Report

Q2 2021

May 11th
Publication of
Q1 Quarterly Statement

Q3 2021

August 17th
Publication of Half-Yearly
Financial Report

Q4 2021

November 10th
Publication of
Q3 Quarterly Statement



OOH+

Disclaimer

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Appendix

Profit and Loss Statement 9M 2020

Continuing Operations

m€	9M 2020	9M 2019	▲ %
Revenues	987.4	1,123.1	-12%
EBITDA (adjusted)	310.6	387.2	-20%
Exceptional items	-17.5	-23.7	+26%
EBITDA	293.1	363.5	-19%
Depreciation & Amortization*	-267.0	-263.8	-1%
EBIT	26.1	99.7	-74%
Financial result*	-21.6	-22.8	+5%
Tax result	-0.9	-11.4	+92%
Net Income	3.6	65.5	-94%
Adjustments**	55.6	62.7	-11%
Net Income (adjusted)	59.3	128.2	-54%

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

*Thereof attributable to IFRS 16 in D&A 133.1m€ (PY: 131.4m€) and in financial result 11.1m€ (PY: 15.9m€)

**Adjusted for exceptional items (+17.5m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +46.7m€), in financial result (+1.7m€) and in income taxes (-10.3m€)

Free Cash Flow Perspective 9M 2020

Continuing Operations

m€	9M 2020	9M 2019
EBITDA (adjusted)	310.6	387.2
- Exceptional items	-17.5	-23.7
EBITDA	293.1	363.5
- Interest	-17.1	-20.0
- Tax	-15.1	-32.0
-/+ WC	-28.0	-25.0
- Others	+5.3	-3.9
Operating Cash Flow	238.2	282.6
Investments (before M&A)	-93.2	-78.7
Free Cash Flow (before M&A)	144.9	203.9
Lease liability repayments (IFRS 16)*	-116.5	-118.8
Free Cash Flow (adjusted)**	28.4	85.1

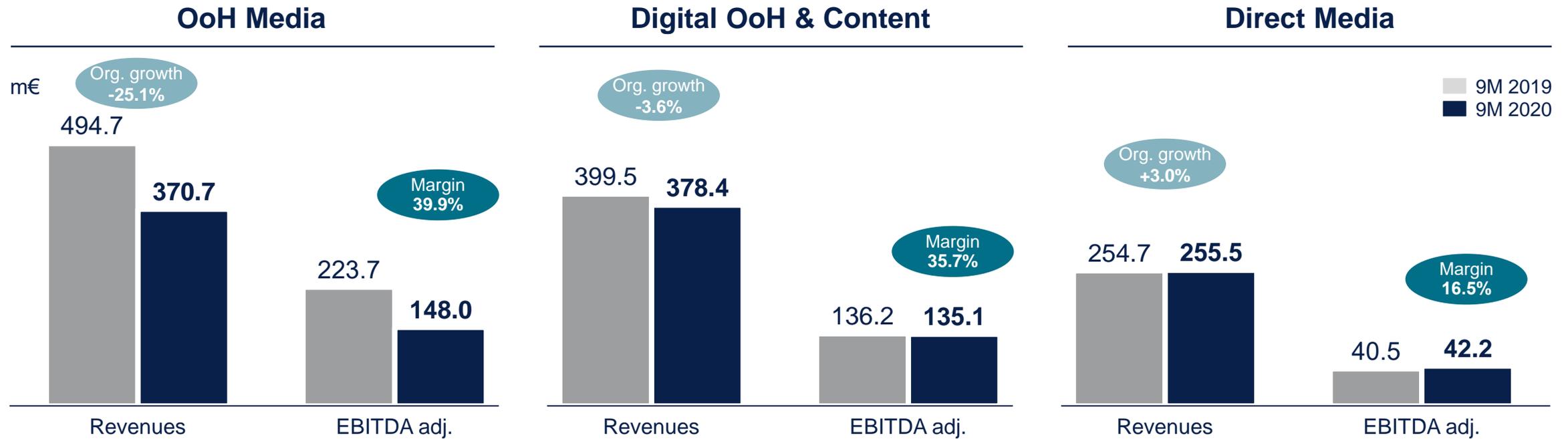
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*Part of cash flow from financing activities

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

Segment Perspective 9M 2020

Continuing Operations



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