

## PRESS RELEASE

### **Ströer Media AG posts significant improvement in annual earnings**

- **Consolidated revenue up sharply by 13.2% to EUR 634.8m**
- **Operational EBITDA improved by 10.3% to EUR 118m**
- **Profit for the period of EUR 5.1m**

Cologne, 28 March 2014 Digitalization was the clear focus of Ströer Media AG's activities in fiscal year 2013. Seven acquisitions provided the basis for the Company's entry into the online advertising business, while the purchase of the international online marketer Ballroom also ensured the successful roll-out of Ströer's online strategy to its other core markets of Turkey and Poland. The continued expansion of the digital out-of-home infrastructure led to an increase in the proportion of total revenue generated by digital media. In addition, the Ströer Group drove forward its country-specific out-of-home strategies that reflect market conditions and offer a stable platform for further business growth based on actively managed portfolios of advertising concessions. In the space of 12 months, the Company was able to extend its position in all core markets to become a leading out-of-home and online marketer. Thanks to its focus on digitalization, Ströer has already seen its relevance increase among advertising companies and agencies.

Overall, the operating business of Ströer Media AG and all its operating units improved significantly year on year.

Consolidated revenue increased by EUR 74.2m compared with 2012 to EUR 634.8m. EUR 64.4m of this growth related to the online advertising companies acquired in the course of 2013 and EUR 9.9m to the out-of-home business. The Group's organic growth amounted to 3.5% in 2013.

The substantial improvement in revenue led to a corresponding increase in operational EBITDA from EUR 107.0m in the prior year to EUR 118.0m. The operational EBITDA margin was 18.6%, 0.5 percentage points below the prior-year figure. This decline is primarily due to lower EBITDA margins in the online business as a result of the business model.

Adjusted profit for the period rose by 51.5% in the fiscal year to EUR 36.3m. EUR 27.8m of the adjustment relates to the non-cash amortization of hidden reserves from advertising concessions that were recognized in connection with earlier acquisitions. Excluding the adjustment, the Group closed fiscal year 2013 with a profit of EUR 5.1m, compared with a loss of EUR 1.8m in 2012. This represents a EUR 6.9m improvement on the prior year due to growth in the operating business and improvements in the financial result.

Net debt, another key performance indicator for the Group, increased slightly to EUR 326.1m in the fiscal year due partly to additional earn-out liabilities entered into as part of the investments in online advertising. The leverage ratio (net debt to operational EBITDA) was reduced slightly as a result of improved operational EBITDA, while the equity ratio was comfortable at 30.9%.

**“Our clear focus in 2013 was on digitalization. We successfully expanded our business model to include online marketing and have already rolled out this strategy in our core international markets. The capital markets also understood and rewarded our digital strategy,” said Udo Müller, CEO of Ströer. “Digitalization will remain our top priority in all areas of the Company in the coming years.”**

Outside of its online business, Ströer continued to invest selectively in organic growth projects in Germany and abroad in 2013. The Group focused its resources primarily on rolling out more digital screens and backlit advertising media (premium billboards). Excluding acquisitions, Ströer reduced its investments overall by 8.6% to EUR 39.0m (prior year: EUR 42.6m).

## Operating segments

### *Ströer Germany*

Revenue in the Ströer Germany segment increased by EUR 9.0m to EUR 420.6m and was mainly driven by the transport product group, which ended the fiscal year with revenue of EUR 96.8m, up EUR 6.2m on the prior year. The product group profited especially from dynamic revenue growth in digital advertising media, to which its public portals (Out-of-Home Channel and infoscreen) in particular contributed low double-digit growth rates. Overall, the proportion of segment revenue generated by digital media rose to 10.6% (prior year: 9.2%).

Alongside the rise in lease payments and running costs that accompanied the increase in revenue, operational EBITDA also grew year on year by EUR 2.9m to EUR 100.5m. The operational EBITDA margin improved by 0.2 percentage points to 23.9%.

### *Ströer Turkey*

Adjusted for exchange differences, the Ströer Turkey segment achieved organic revenue growth of 13.4%. However, this was offset by the weakness of the Turkish lira against the euro, which led to effective revenue growth of 3.5%. The Ströer Turkey segment generated revenue of EUR 94.6m in fiscal year 2013, a slight increase of EUR 3.2m year on year. This upwards trend was primarily attributable to a further improvement in the advertising media portfolio in Istanbul and the roll-out of the new giant and premium billboards, which are meeting with strong customer demand.

The increase in revenue was offset by an only moderate rise in cost of sales in the reporting year, in particular higher running costs due to capacity utilization. By contrast, increases in lease payments as well as rising electricity costs only had a limited impact due to the weakness in the Turkish lira. Overheads in the segment declined as a result of the exchange rates. Overall, operational EBITDA improved by EUR 1.0m to EUR 13.8m. The operational EBITDA margin increased slightly by 0.5 percentage points to 14.6%.

## *Online segment*

Since the beginning of the second quarter of 2013, the Ströer Group has gradually entered the online advertising business. This step represents an important pillar of the Group's corporate strategy and its contributions are therefore reported in a separate segment. The new Online segment includes the revenue and earnings contributions of adscale, which was acquired in April, the Ströer Digital Group, which was acquired in full in June, the location-based advertising segment of Servtag GmbH, which was acquired by Ströer Mobile Media GmbH, the Ballroom Group and MBR Targeting GmbH. The revenue and operational EBITDA figures are in line with expectations to date. Overall, the Online segment contributed EUR 64.4m to the Group's total revenue. Operational EBITDA came to EUR 6.5m.

## *Other segment*

The "Other" segment includes Ströer's Polish out-of-home activities and the western European giant poster business of the blowUP division. The segment closed fiscal year 2013 with revenue of EUR 56.4m, a slight decline of EUR 1.5m. By contrast, operational EBITDA increased by EUR 2.1m to EUR 6.4m thanks to systematic cost savings in Poland and only moderate increases in the BlowUP Group's costs. The operational EBITDA margin rose from 7.5% to 11.4%.

## **Outlook**

Regarding the first quarter of 2014, Ströer expects a revenue growth in the low tenth, mainly driven by the entry into online marketing. Also expected is an organic growth rate in the low single digits.

## The Group's financial figures at a glance

In EUR m	2013	2012	Change
Revenue	634.8	560.6	13.2%
Ströer Germany	420.6	411.7	2.2%
Ströer Turkey	94.6	91.3	3.5%
Online	64.4	0.0	n.d.
Other	56.4	57.9	-2.7%
Billboard	288.8	286.6	0.8%
Street furniture	144.9	147.2	-1.5%
Transport	97.7	91.5	6.7%
Online	64.2	0.0	n.d.
Other	39.2	35.3	11.2%
Organic growth <sup>1</sup>	3.5	-4.0	
Gross profit <sup>2</sup>	196.2	174.1	12.7%
Operational EBITDA <sup>3</sup>	118.0	107.0	10.3%
Operational EBITDA <sup>3</sup> margin	18.6	19.1	
Adjusted EBIT <sup>4</sup>	72.0	67.4	6.8%
Adjusted EBIT <sup>4</sup> margin	11.3	12.0	
Adjusted profit or loss for the period <sup>5</sup>	36.3	24.0	51.5%
Adjusted earnings per share <sup>6</sup> (EUR)	0.76	0.54	39.7%
Profit or loss for the period <sup>7</sup>	5.1	-1.8	n.d.
Earnings per share <sup>8</sup> (EUR)	0.08	-0.07	n.d.
Investments <sup>9</sup>	39.0	42.6	-8.6%
Free cash flow <sup>10</sup>	1.8	10.8	-83.7%
	31 Dec 2013	31 Dec 2012	Change
Total equity and liabilities	957.1	863.7	10.8%
Equity	296.0	279.6	5.9%
Equity ratio	30.9	32.4	
Net debt <sup>11</sup>	326.1	302.1	7.9%
Employees <sup>12</sup>	2,223	1,750	27.0%

## Key financials of the segments

<sup>1</sup> Excluding exchange rate effects and effects from the (de-)consolidation and discontinuation of operations

<sup>2</sup> Revenue less cost of sales

<sup>3</sup> Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items

<sup>4</sup> Earnings before interest and taxes adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets

<sup>5</sup> Adjusted EBIT before non-controlling interests net of the financial result adjusted for exceptional items and the normalized tax expense

<sup>6</sup> Adjusted profit or loss for the period net of non-controlling interests divided by the number of shares outstanding after the IPO (42,098,238) plus time-weighted addition of the shares from the capital increase (6,771,546) on 3 June 2013

<sup>7</sup> Profit or loss for the period before non-controlling interests

<sup>8</sup> Actual profit or loss for the period net of non-controlling interests divided by the number of shares outstanding after the IPO (42,098,238) plus time-weighted addition of the shares from the capital increase (6,771,546) on 3 June 2013

<sup>9</sup> Including cash paid for investments in property, plant and equipment and in intangible assets

<sup>10</sup> Cash flows from operating activities less cash flows from investing activities

<sup>11</sup> Financial liabilities less derivative financial instruments and cash

<sup>12</sup> Headcount (full and part-time employees)

## Ströer Germany

in EUR m			Change	Change
	2013	2012	in EUR m	in %
Revenue	420.6	411.7	9.0	2.2
Billboard	165.9	164.4	1.5	0.9
Street furniture	120.7	123.4	-2.7	-2.2
Transport	96.8	90.6	6.2	6.8
Other	37.3	33.3	4.0	12.0
Organic growth				up 6.66 percentage points
	2.2%	-4.5%		
Operational EBITDA	100.5	97.5	3.0	3.0
Operational EBITDA margin				up 0.19 percentage points
	23.9%	23.7%		

## Ströer Turkey

in EUR m			Change	Change
	2013	2012	in EUR m	in %
Revenue	94.6	91.3	3.2	3.5
Billboard	70.8	67.7	3.0	4.4
Street furniture	23.6	23.2	0.4	1.8
Transport	0.2	0.2	0.0	-19.6
Other	0.0	0.2	-0.2	-86.9
Organic growth				up 13.78 percentage points.
	13.4%	-0.3%		
Operational EBITDA	13.8	12.9	1.0	7.5
Operational EBITDA margin				up 0.54 percentage points
	14.6%	14.1%		

## Other

in EUR m			Change	Change
	2013	2012	in EUR m	in %
Revenue	56.4	57.9	-1.5	-2.7
Billboard	52.2	54.5	-2.4	-4.3
Street furniture	0.6	0.6	0.1	9.1
Transport	0.7	0.7	0.0	0.8
Other	2.9	2.1	0.8	35.7
Organic growth				up 4.51 percentage points
	-1.5%	-6.0%		
Operational EBITDA	6.4	4.4	2.1	47.0
Operational EBITDA margin				up 3.85 percentage points
	11.4%	7.5%		

Note: all figures are rounded.



### **About Ströer**

Ströer Media AG is a leading provider of online advertising and out-of-home, and offers its advertising customers individualized and fully integrated premium communications solutions. In the field of digital media, Ströer is setting new standards for innovation and quality in Europe and is thus opening up new and innovative opportunities for targeted customer contact for its advertisers.

The Ströer Group commercializes several thousand websites and more than 280,000 out-of-home advertising faces. With consolidated revenue of EUR 634m for the full year 2013, Ströer Media AG is one of largest providers of out-of-home media in Europe in terms of revenue.

The Ströer Group has approximately 2,200 employees at over 70 locations.

For more information on the Company, please visit [www.stroeer.com](http://www.stroeer.com).

### **IR contact**

Ströer Media AG  
Dafne Sanac  
Manager Investor Relations  
Ströer Allee 1. 50999 Cologne  
Telephone: +49 (0) 2236 / 96 45-356  
Fax: +49 (0) 2236 / 96 45-6356  
Email: [dsanac@stroeer.de](mailto:dsanac@stroeer.de)

### **Press contact**

Ströer Media AG  
Marc Sausen  
Head of Group Communication  
Ströer-Allee 1. 50999 Cologne  
Telephone: +49 (0) 2236 / 96 45-246  
Fax: +49 (0) 2236 / 96 45-6246  
Email: [msausen@stroeer.de](mailto:msausen@stroeer.de)