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# PRESS RELEASE

## Record-breaking revenue: Strong digital business drives Ströer's profitable growth in first six months

- **Consolidated revenue up 9% in the first six months to EUR 363.4m**
- **Digital revenue grows more than 23%**
- **Operational EBITDA increases by a considerably 36% to EUR 78.4m**
- **Adjusted net profit almost double to EUR 33.8m**

Cologne, 13 August 2015 Ströer SE has carried its positive development from the first three months into the second quarter of 2015. The very good results are due to the focus on the digital business model across the entire group. Ströer SE is successfully combining the out-of-home business with its structural growth with dynamically expanding digital business models. In acquiring Germany's leading internet portal t-online.de (according to AGOF) and Germany's TOP-3 online marketer InteractiveMedia (according to AGOF), Ströer has taken the decisive step towards becoming a digital multi-channel media company. In doing so, the company has achieved a further, significant milestone in its digital strategy and has generated strong growth momentum for the coming quarters.

Revenue climbed in the first six month by 9% on the first six months of the prior year to EUR 363.4m. This corresponds to organic revenue growth of 8%. This growth was mainly fueled by the Digital segment, which saw its revenue grow by more 23% on the first half of the prior year to EUR 88.2m. This segment reported significant organic growth of 24.6%, with the new content business making a particularly strong contribution to this very positive development. The Out-of-Home Germany segment reported organic growth of 6.1% in the first six months and contributed a total of 214.1m to revenue. The

Segment Out-of-Home international reported a minor increase in revenue to EUR 73.1m in the first six months.

The upward trend in revenue also had a positive effect on operational EBITDA, which increased sharply year-on-year by more than 36% to EUR 78.4m. The operational EBITDA margin also improved significantly on the prior period, standing at 21.2% compared with 17% in the prior year.

The development of adjusted net profit was particularly impressive. This figure soared to EUR 33.8m, almost double the prior-year amount on the back of further cost efficiency improvements in all business segments of Ströer.

Despite intense investment activities and various acquisitions in the first half of the year 2015, Ströer successfully kept the leverage ratio (net debt to operational EBITDA) stable at 1.9x thanks to good operating results.

Based on the takeover of Germany's leading internet portal t-online.de and Germany's TOP-3 online sales house InteractiveMedia, the Company has raised its medium-term guidance: for 2016 Ströer anticipates consolidated revenue of approximately EUR 1b and an EBITDA margin of 23% to 24%. For 2016 the company expects strong growth in operational EBITDA to a triple-digit million figure in the Digital segment. Ströer will continue to strive to increase the revenue contribution of the Digital segment to 50% in the coming years. The outlook for the current fiscal year has been reaffirmed: the Company forecasts organic revenue growth in the mid to high single-digit percentage range and expects operational EBITDA to amount to at least EUR 180m.

**"We carried the excellent development of the last months and quarters into the new period and are presenting a first six months shaped by digital growth. Our key financials show a clearly positive development. Based on the acquisitions of the leading internet portal t-online.de (according AGOF) and the TOP-3 online sales house InteractiveMedia (according AGOF) that were announced today, we have raised our medium-term guidance and are anticipating revenue of approximately EUR 1b for the coming year," says Udo Mueller, CEO of Ströer.**

## Operating segments

*Out-of-Home Germany*

Revenue in the Out-of-Home Germany segment was up 6.1% in the first half of 2015 to EUR 214.1m and increased by 5.8% to EUR 117.9m in the second quarter of 2015. Revenue growth was primarily driven by the expansion of national and regional sales activities. The Ströer Group's broad mix of digital and analog products also had a strong positive impact on revenue. This is reflected in the very positive development of operational EBITDA, which was up 33.9% in the first six months to EUR 50.1m. In the second quarter, operational EBITDA grew 34.6% to EUR 31.0m. The EBITDA margin also increased significantly to 23.4% in the first half of the year. In the second quarter, the EBITDA margin grew even more strongly to 26.3%.

*Digital*

The newly carved out Digital segment comprises the Group's entire digital operations including online advertising, the content business of the newly established Ströer Content Group and the Group's public video activities. The segment constitutes a cornerstone of the Group's corporate strategy and is a primary driver of steady and sustainable growth within the Group. The segment's revenue grew by 23.1% in the first half of 2015 to total EUR 88.2m. In the second quarter, the business grew 15.3% and reported revenue of EUR 46.5m. The strong organic growth came to 24.6% in the first six months and 16.1% in the second quarter. Operational EBITDA for the Digital segment increased by more than 65% in the first half of the year to EUR 24m. In the second quarter of 2015, operational EBITDA grew by more than 50% to EUR 14.5m. The operational EBITDA margin grew impressively and came to 27.2% in the first half of the year and increased substantially again in the second quarter to 31.2%.

*Out-of-Home International*

As in the past months and quarters, the OOH International segment was shaped by a challenging market environment. In spite of the challenges, revenue increased slightly by 2.5% in the first half of the year. Operational EBITDA likewise improved, increasing by 5.3%. The operational EBITDA margin stood at 15.9% in the first six months.

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## The Group’s financial figures at a glance

| In Euro m | 6M 2015 | 6M 2014 | Change |
|---|---|---|---|
| Revenue (1) | 363.4 | 334.7 | 8.6% |
| **by segment** | | | |
| OOH Germany (2) | 214.1 | 201.7 | 6.1% |
| Ströer Digital | 88.2 | 71.7 | 23.1% |
| OOH International | 73.1 | 71.3 | 2.5% |
| | | | |
| **by product group** | | | |
| Billboard (2) | 156.1 | 153.8 | 1.4% |
| Street Furniture (2) | 74.8 | 69.0 | 8.4% |
| Transport (2) | 26.6 | 25.6 | 4.0% |
| Digital (3) | 90.0 | 73.7 | 22.2% |
| Other (2) | 23.2 | 18.9 | 22.8% |
| | | | |
| Organic growth (%)(4) | 8.4 | 8.4 | |
| | | | |
| Gross profit (5) | 106.8 | 96.1 | 11.0% |
| | | | |
| Operational EBITDA (6) | 78.4 | 57.8 | 35.8% |
| Operational EBITDA margin (%) (6) | 21.2 | 16.9 | |
| Adjusted EBIT (7) | 45.0 | 34.5 | 30.4% |
| Adjusted EBIT margin (%) (7) | 12.1 | 10.1 | |
| Adjusted profit or loss for the period (8) | 33.8 | 17.3 | 95.0% |
| Adjusted earnings per share (9) | 0.68 | 0.34 | 99.1% |
| Profit or loss for the period (10) | 18.8 | 2.5 | > 100% |
| Earning per share (EUR) (11) | 0.37 | 0.04 | > 100% |
| | | | |
| Investments (12) | 38.3 | 17.4 | > 100% |
| Free cash flow (13) | -13.7 | 6.7 | n.d. |
| | | | |
| | **30.06.2015** | **31.12.2014** | **Change** |
| Total equity and liabilities (1) | 1002.8 | 953.4 | 5.2% |
| Equtiy (1) | 306.9 | 320.5 | -4.3% |
| Equity ratio (%) | 30.6 | 33.6 | |
| Net debt (14) | 325.4 | 275.4 | 18.2% |
| | | | |
| Employees (number) (15) | 2.472 | 2.380 | 3.9% |

(1) Joint ventures are consolidated at-equity - according to IFRS 11
(2) Joint ventures are consolidated proportional (management approach)
(3) Revenues of segment Ströer Digital and digital OoH revenues of other segments
(4) Excluding exchange rate effects and effects from the (de-)consolidation and discontinuation of operations (Joint ventures are consolidated proportional)
(5) Revenue less cost of sales (Joint ventures are consolidated at-equity - according to IFRS 11)
(6) Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items (Joint ventures are consolidated proportional)
(7) Earnings before interest and taxes adjusted for exceptional items, amortization of acquired advertising concessions and impairment losses on intangible assets (Joint ventures are consolidated proportional)
(8) Adjusted EBIT before non-controlling interest net of the financial result adjusted for exceptional items and the normalized tax expense (Joint ventures are consolidated proportional)
(9) Adjusted profit or loss for the period net of non-controlling interests divided by the number of shares outstanding (48.869.784)
(10) Profit or loss for the period before non-controlling interest (Joint ventures are consolidated at-equity - according to IFRS 11)
(11) Actual profit or loss for the period net of non-controlling interests divided by the number of shares outstanding (48.869.784)
(12) Including cash paid for investments in property, plant and equipment and in intangible assets (Joint ventures are consolidated at-equity - according to IFRS 11)
(13) Cash flows from operating activities less cash flows from investing activities (Joint ventures are consolidated at-equity - according to IFRS 11)
(14) Financial liabilities less derivative financial instruments and cash (Joint ventures are consolidated proportional)
(15) Headcount of full and part-time employees (Joint ventures are consolidated proportional)

**About Ströer**

Ströer SE is one of the biggest providers of out-of-home and online advertising, and offers its advertising customers individualized and fully integrated premium communications solutions. In the field of digital media, Ströer is setting forward-looking standards for innovation and quality in Europe and is opening up new opportunities for targeted customer contact for its advertisers.
The Ströer Group commercializes around 290,000 out-of-home advertising faces and several thousand websites. With consolidated revenue of EUR 721m for the full year 2014, Ströer SE is one of largest providers of out-of-home media in Europe in terms of revenue.

The Ströer Group has approximately 2,500 employees at over 70 locations.

For more information on the Company, please visit www.stroeer.com.

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