

PRESS RELEASE

Ströer increases revenue and earnings significantly in the first six months following the acquisition of T-Online

- **Ströer reports organic growth of 8.7%**
- **T-Online acquisition pushes H1 revenue up 38% to EUR 502.3m and operational EBITDA up 46% to EUR 114.6m**
- **Adjusted earnings up 79% to EUR 60.6m**

Cologne, 11 August 2016 Ströer continued on its successful growth course in the second quarter of 2016. Revenue in the first six months was up 38.2% from EUR 363.4m to EUR 502.3m. The increase primarily stems from the acquisition of T-Online in November 2015, along with organic revenue growth of 8.7%. Bolstered by the good operating performance and the acquisition of T-Online, operational EBITDA climbed steeply by 46,2% to EUR 114.6m. Adjusted EBIT also increased in this context and was up 68,7% to EUR 75.9m. Adjusted H1 earnings likewise rose sharply, up 79,2% to EUR 60.6m. The free cash flow before acquisitions improved significantly, increasing by more than EUR 35m to EUR 37.8m (prior year: EUR 0.2m). The leverage ratio at the end of the first six months of 2016 improved to 1.5 compared to 1.9 in the prior-year period.

“We had an excellent first half year and our financial ratios also developed exceptionally well. We recorded a strong increase in revenue and earnings from organic growth as well as our value-enhancing acquisitions. We combine the profitability of well established businesses with the dynamics of fast-growing and young business models – paving the way for long-term and profitable growth. Our strategy is paying off,” says Udo Müller, CEO of Ströer. “Given the positive outlook, we are confirming our current guidance of EBITDA of more than EUR 280m and consolidated revenue of between EUR 1.1b and EUR 1.2b for 2016.”

Operating segments

Digital

The Ströer Digital segment was able to further increase revenue in the first half of the year. Revenue in the Digital segment was up from EUR 88.2m to EUR 210.3m in the first six months of 2016. The increase primarily stems from the acquisition of T-Online in November 2015, along with organic revenue growth of 10%. The revenue contributions from the investments made in new digital business models for the Transactional product group (such as Statista and stayfriends) also contributed to this development. Thanks to Ströer's digital strategy, the Company is increasingly able to leverage synergies and economies of scale on both the revenue and cost side. However, Ströer is also investing heavily in the development of fast-growing business models. This is reflected by the operational EBITDA margin of 25.6% compared with 27.2% in the prior year.

Out-of-Home Germany

The Out-of-Home Germany segment was able to build on the excellent performance in the prior year in the first quarter of 2016. H1 revenue rose 9.6% from EUR 214.1m to EUR 234.6m. In addition to the continued robust demand, additional sales measures spurred on growth. The large formats product group (previously the billboard product group), which targets both national and regional customer groups, benefited above all from the continued demand for traditional out-of-home products. Numerous other measures in the national sales organization also boosted revenue. The ongoing expansion of the regional sales force is stimulating growth too. The street furniture product group, whose customers tend to have a national or international focus, likewise grew noticeably. The transport product growth also made use of the positive momentum in the segment, albeit at a lower level. The tangible rise in revenue was accompanied by a slower rate of growth in cost of sales. The operational EBITDA margin rose to 25.2% (prior year: 23.4%).

Out-of-Home International

The OOH International segment includes the Turkish and Polish out-of-home activities and the western European giant poster business of the blowUP group. Revenue in the OOH International segment was down slightly by 4.5% to EUR 69.8m (prior year: EUR 73.1m) in the first half of 2016. Although growth in Turkey in particular slowed in the second quarter, all three subsegments notched up growth of 3.2% year on year in local currency despite very challenging external conditions due to the geopolitical

tensions in Turkey in particular in the second quarter. The exchange rates also had a noticeably dampening effect on cost of sales, with revenue-linked higher costs being offset by exchange rate effects. Overall, the segment generated operational EBITDA of EUR 11.3m (prior year: EUR 11.7m) and an operational EBITDA margin of 16.2% (prior year: 15.9%).

The Group's financial figures at a glance

		Q2 2016	Q2 2015	Change	6M 2016	6M 2015	Change
Revenue ¹⁾	EUR m	276.2	201.6	37.0%	502.3	363.4	38.2%
by segment							
Ströer Digital	EUR m	117.1	46.5	> 100%	210.3	88.2	> 100%
OOH Germany ²⁾	EUR m	126.3	117.9	7.1%	234.6	214.1	9.6%
OOH International	EUR m	39.8	43.4	-8.4%	69.8	73.1	-4.5%
by product group							
Large formats ²⁾	EUR m	92.9	90.8	2.3%	165.4	156.0	6.0%
Street furniture ²⁾	EUR m	39.0	41.3	-5.6%	76.5	74.8	2.2%
Transport ²⁾	EUR m	15.7	14.1	11.3%	28.9	26.6	8.7%
Display ³⁾	EUR m	64.6	20.1	> 100%	121.8	40.4	> 100%
Video ³⁾	EUR m	25.9	20.6	25.3%	45.2	38.4	17.6%
Transactional ³⁾	EUR m	27.7	6.6	> 100%	45.3	11.3	> 100%
Other ²⁾	EUR m	13.8	11.9	15.7%	25.9	23.1	12.0%
Organic growth ⁴⁾	%	6.5	7.0		8.7	8.4	
Gross profit ⁵⁾	EUR m	91.7	65.3	40.5%	159.0	106.1	49.9%
Operational EBITDA ⁶⁾	EUR m	69.0	52.1	32.3%	114.6	78.4	46.2%
Operational EBITDA ⁶⁾ - margin	%	24.7	25.4		22.5	21.2	
Adjusted EBIT ⁷⁾	EUR m	49.6	35.5	39.8%	75.9	45.0	68.7%
Adjusted EBIT ⁷⁾ - margin	%	17.7	17.3		14.9	12.1	
Adjusted profit or loss for the period ⁸⁾	EUR m	40.2	29.3	37.1%	60.6	33.8	79.2%
Adjusted earning per share ⁹⁾	€	0.73	0.58	25.1%	1.12	0.68	63.7%
Profit or loss for the period ¹⁰⁾	EUR m	23.3	21.2	9.9%	27.7	18.2	52.2%
Earning per share ¹¹⁾	€	0.42	0.42	1.5%	0.52	0.36	43.9%
Investments ¹²⁾	EUR m				45.6	38.3	18.9%
Free cash flow ¹³⁾	EUR m				-65,7	-13,7	< -100%
					30 Jun 2016	31Dec 2015	Change
Total equity and liabilities ¹⁾	EUR m				1,634.7	1,469.3	11.3%
Equity ¹⁾	EUR m				640.0	679.6	-5.8%
Equity ratio	%				39.2	46.3	
Net debt ¹⁴⁾	EUR m				363.9	231.2	57.4%
Employees ¹⁵⁾	number				4,075	3,270	24.6%

¹⁾ Joint ventures are consolidated using the equity method – in accordance with IFRS 11

²⁾ Joint ventures are consolidated proportionately (management approach)

³⁾ Revenue from the Ströer Digital segment and digital OOH revenue from other segments

⁴⁾ Excluding exchange rate effects and effects from the (de-)consolidation and discontinuation of operations (joint ventures are consolidated proportionately)

⁵⁾ Revenue less cost of sales (joint ventures are consolidated using the equity method – in accordance with IFRS 11)

⁶⁾ Earnings before interest, taxes, depreciation and amortization adjusted for exceptional items (joint ventures are consolidated proportionately)

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 proportionately)

⁸⁾ Adjusted EBIT before non-controlling interests net of the financial result adjusted for exceptional items and the normalized tax expense (joint ventures are consolidated proportionately)

⁹⁾ Adjusted profit or loss for the period net of reported non-controlling interests divided by the number of shares outstanding (55,282,499; in Q2 2015: 48,869,784)

¹⁰⁾ Profit or loss for the period before non-controlling interests (joint ventures are consolidated using the equity method - in accordance with IFRS 11)

¹¹⁾ Profit or loss for the period net of reported non-controlling interests divided by the number of shares outstanding (55,282,499; in Q2 2015: 48,869,784)

¹²⁾ Including cash paid for investments in property, plant and equipment and in intangible assets (joint ventures are consolidated using the equity method - in accordance with IFRS 11)

¹³⁾ Cash flows from operating activities less cash flows from investing activities (joint ventures are consolidated using the equity method - in accordance with IFRS 11)

¹⁴⁾ Financial liabilities less derivative financial instruments and cash (joint ventures are consolidated proportionately)

¹⁵⁾ Headcount of full and part-time employees (joint ventures are consolidated proportionately)

About Ströer

Ströer SE & Co. KGaA is a leading digital multi-channel media company and offers 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 and operates several thousand websites in German-speaking countries in particular and operates approximately 300,000 advertising media in the out-of-home segment. It has approximately 4,100 employees at over 70 locations. In fiscal year 2015, Ströer SE generated revenue of EUR 824m. Ströer SE & Co. KGaA is listed in Deutsche Börse's MDAX.

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

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