

PRESS RELEASE

Ströer continues on its profitable growth course in Q3

- **Revenue grows 38% in the first nine months of 2016**
- **Operational EBITDA rises 46% from EUR 122m to EUR 177m in the first nine months of 2016**
- **Adjusted earnings climb 68% in the first nine months of 2016, from EUR 53m to EUR 89m**

Cologne, 10 November 2016 Ströer continues on its profitable growth course once again in the third quarter of 2016. Revenue in the first nine months of 2016 rose by 38.4% from EUR 553.2m to EUR 765.7m. This is attributable to strong growth in the OOH Germany and Digital segments. The Ströer Group recorded organic revenue growth of 7.4% in the first nine months of 2016.

Despite ongoing investments in local sales operations in Germany as well as further organic growth investments in the digital business, operational EBITDA soared by 45.7% from EUR 121.8m to EUR 177.5m. The operational EBITDA margin thus grew from 21.6% in the prior year to 22.9% at the end of the third quarter of 2016.

Adjusted earnings for the first nine months of 2016 also developed exceedingly well, increasing by 67.7% from EUR 53.0m to EUR 88.9m. Free cash flow before acquisitions rose by 40.5% in the first nine months from EUR 37.3m to EUR 52.4m. In spite of considerable growth investments and acquisitions, the leverage ratio improved to 1.5 at the end of the third quarter of 2016 (prior year: 1.7).

“Ströer has performed exceptionally well in the first nine months – we recorded strong increases in revenue and earnings. Our focus lies on organic growth opportunities in the online, mobile and out-of-home segments which are seeing the highest growth. Based on the annual meetings currently being held with our key accounts and agencies, we expect business to also continue to develop well in the coming year,” says Udo Müller, CEO of Ströer. **“We are confirming our current guidance of operational EBITDA of more than EUR 280m and consolidated**

revenue of EUR 1.15b for 2016. For 2017, we forecast consolidated revenue of between EUR 1.2b and EUR 1.3b and operational EBITDA of more than EUR 320m.”

Operating segments

Digital

The Ströer Digital segment was able to achieve a further significant increase in revenue across all product groups in the first nine months of the fiscal year. This included the most recent investments in the new Transactional product group.

Revenue in the Digital segment was up from EUR 139.9m to EUR 333.4m in the first nine months of 2016 including organic revenue growth of 9.6%. 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. At the same time, Ströer is also investing in the expansion of the fast-growing business models already in its portfolio. Operational EBITDA increased from EUR 37.8m to EUR 89.7m in the first nine months of 2016. The operational EBITDA margin came to 26.9%.

Based on the ongoing business expansion in the digital segment, the figures can only be compared with those of the prior year to a limited extent.

Out-of-Home Germany

Operating business in the Out-of-Home Germany segment saw very robust growth once again in the third quarter. Revenue for the first nine months rose 8.6% from EUR 324.8m to EUR 352.8m.

In terms of product groups, large formats in particular, which focuses on national as well as regional customer groups, grew significantly once again. This development is predominantly due to sustained high demand for traditional out-of-home products. On the one hand, a series of targeted national sales measures provided positive growth impetus, which was coupled with the ongoing expansion of the regional and local sales organization on the other.

Operational EBITDA improved by 15.2% from EUR 78.7m to EUR 90.6m. The Operational EBITDA margin grew from 24.2% to 25.7%.

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. The segment's revenue dipped 7.1% in the first nine months of the fiscal year, decreasing from EUR 105.7m to EUR 98.1m. This reduction is mainly attributable to the weak Turkish lira and the macroeconomic situation in Turkey, with the latter affecting the third quarter in particular. The market in Poland also continues to see little movement. The organic revenue for the OOH International segment was down 1.4% in the first nine months.

In light of the above, operational EBITDA also decreased and stood at EUR 11.9m in the first nine months (prior year: EUR 15.3m) and the operational EBITDA margin came to 12.1% in the first nine months (prior year: 14.5%).

Ströer is anticipating a rebound effect in the fourth quarter which should lead to low single-digit growth for the year as a whole in local currency.

THE GROUP'S FINANCIAL FIGURES AT A GLANCE

		Q3 2016	Q3 2015	Change	9M 2016	9M 2015	Change
Revenue¹⁾	EUR m	263.3	189.8	38.7%	765.7	553.2	38.4%
by segment							
Ströer Digital	EUR m	123.1	51.7	> 100%	333.4	139.9	> 100%
OOH Germany ²⁾	EUR m	118.3	110.7	6.8%	352.8	324.8	8.6%
OOH International	EUR m	28.3	32.6	-13.1%	98.1	105.7	-7.1%
by product group							
Large formats ²⁾	EUR m	78.0	76.3	2.2%	243.3	232.3	4.7%
Street furniture ²⁾	EUR m	35.6	36.9	-3.5%	112.1	111.7	0.4%
Transport ²⁾	EUR m	15.3	13.6	12.1%	44.2	40.2	9.9%
Display ³⁾	EUR m	58.6	22.5	> 100%	169.6	62.9	> 100%
Video ³⁾	EUR m	23.1	22.9	0.7%	68.2	61.3	11.3%
Transactional ³⁾	EUR m	41.8	6.9	> 100%	97.9	18.2	> 100%
Other ²⁾	EUR m	14.1	13.7	3.5%	40.0	36.8	8.8%
Organic growth ⁴⁾	%	5.1	10.3		7.4	9.1	
Gross profit ⁵⁾	EUR m	82.2	51.6	59.1%	241.2	157.8	52.9%
Operational EBITDA⁶⁾	EUR m	62.9	43.4	45.0%	177.5	121.8	45.7%
Operational EBITDA⁶⁾ margin	%	23.6	22.5		22.9	21.6	
Adjusted EBIT ⁷⁾	EUR m	36.7	25.4	44.5%	112.6	70.4	60.0%
Adjusted EBIT ⁷⁾ margin	%	13.8	13.2		14.5	12.5	
Adjusted profit or loss for the period ⁸⁾	EUR m	28.4	19.2	47.4%	88.9	53.0	67.7%
Adjusted earnings per share ⁹⁾	EUR	0.48	0.40	19.9%	1.60	1.08	47.4%
Profit or loss for the period ¹⁰⁾	EUR m	13.1	6.7	96.9%	40.8	24.8	64.2%
Earnings per share ¹¹⁾	EUR	0.21	0.15	42.3%	0.73	0.51	43.4%
Investments (before M&A transactions) ¹²⁾	EUR m				71.7	49.5	45.0%
Free cash flow (before M&A transactions) ¹³⁾	EUR m				52.4	37.3	40.5%
					30 Sep 2016	31 Dec 2015	Change
Total equity and liabilities ¹⁾	EUR m				1,709.4	1,469.3	16.3%
Equity ¹⁾	EUR m				655.1	679.6	-3.6%
Equity ratio	%				38.3	46.3	
Net debt ¹⁴⁾	EUR m				405.3	231.2	75.3%
Employees ¹⁵⁾	number				4,421	3,270	35.2%

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 Q3 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 Q3 2015: 48,869,784)

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

¹³⁾ Cash flows from operating activities less investments (before M&A transactions) (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 4,400 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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