

STRÖER



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HALF YEAR/Q2 2014 PRESENTATION

20th August 2014 | **Ströer Media AG**

Agenda H1/Q2 2014

- 1** Key developments - Udo Müller, CEO
- 2** Operational highlights - Christian Schmalzl, COO
- 3** Financials - Dr. Bernd Metzner, CFO
- 4** Summary & Outlook - Udo Müller, CEO

Ströer Media AG H1 2014 results

€MM		H1 2014	▲ %	Q2 2014	▲ %
Revenues	reported ⁽¹⁾	334.7	+19%	189.0	+18%
	organic ⁽²⁾		+8%		+11%
Operational EBITDA		57.8	+22%	41.3	+22%
Op. EBITDA margin		16.9%	+0.5%pts	21.5%	+0.8%pts
EBIT (adj.)		34.5	+37%	29.5	+30%
Net income (adj.) ⁽³⁾		17.3	+76%	17.2	+45%
Investments ⁽⁴⁾		24.5	-17%	15.4	-34%
		30 June 2014		31 Dec 2013	
Net debt ⁽⁵⁾ / Leverage Ratio		325.3 / 2.5x		326.1 / 2.8x	

Notes:

(1) Adjusted by IFRS 11

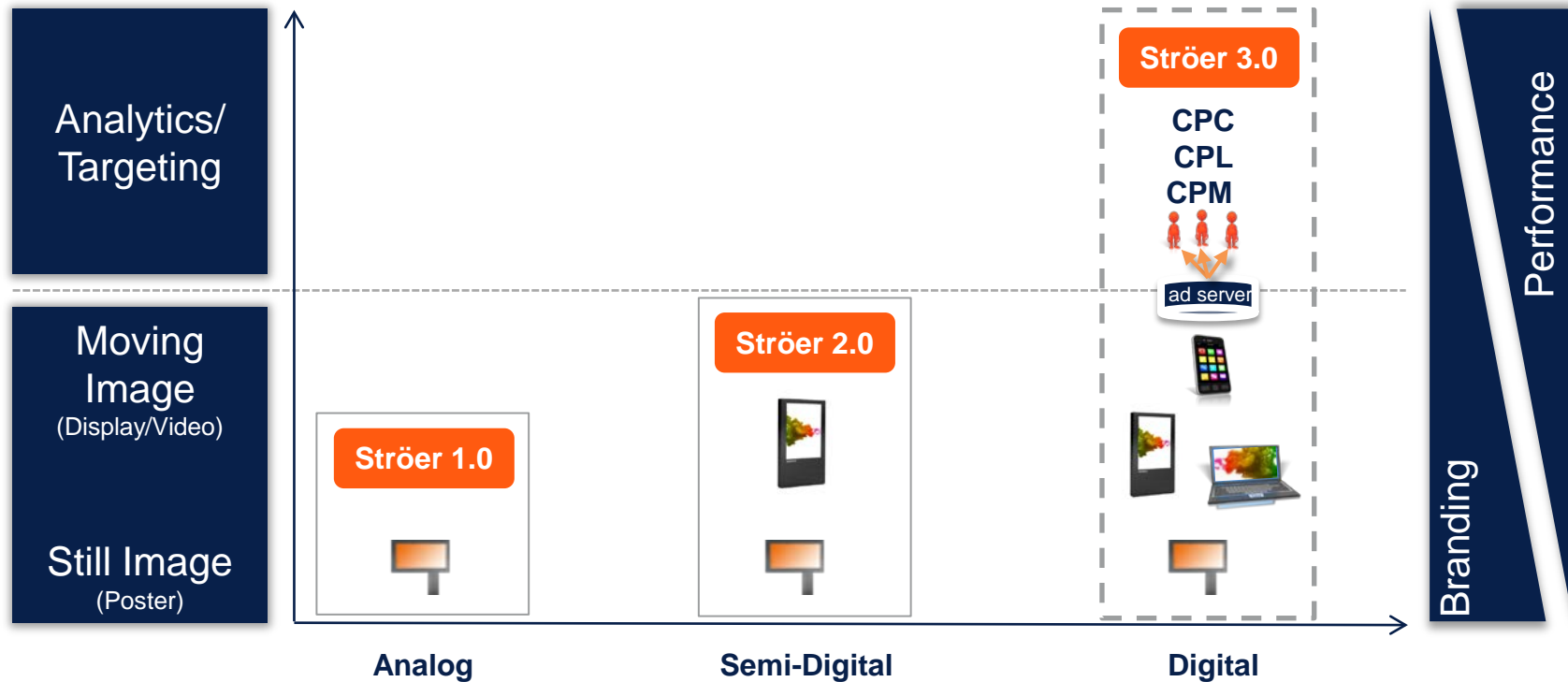
(2) Organic growth = excluding exchange rate effects and effects from the (de)consolidation and discontinuation of operations;

(3) EBIT (adj.) net of the financial result adjusted for exceptional items, amortization of acquired intangible advertising concessions and the normalized tax expense (32.5% tax rate)

(4) Cash paid for investments in PPE and intangible assets as well as for acquisition of consolidated entities

(5) Net debt = financial liabilities less cash (excl. hedge liabilities)

Our focus in the last 18 months: Developing a fully integrated sales house



Ströer's new strategy 3.0 pays off

**New structure
Outdoor/Digital
creates synergies
from the start**

**Increased relevance
to customers and
agencies**

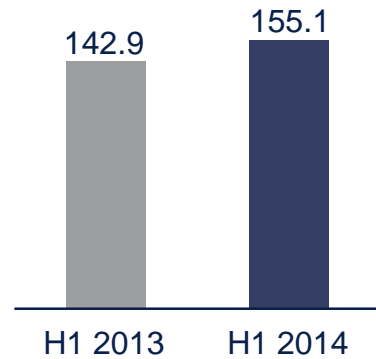
**Strong focus on
regional
development
Outdoor/Digital**

**National sales under
direct leadership of
Board/COO**

Fivefold revenue increase in Digital

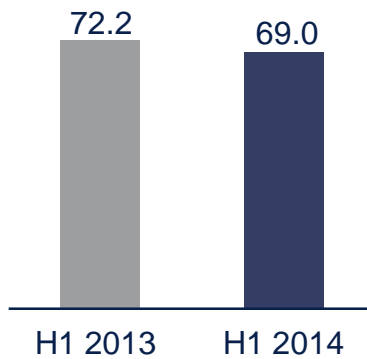
BILLBOARD €MM

Reported % **+ 8.5%**



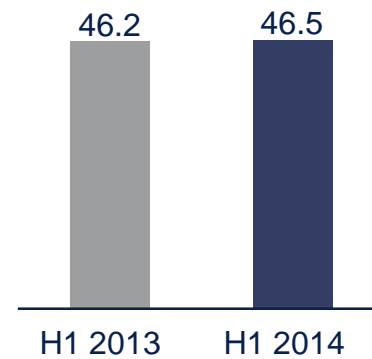
STREET FURNITURE €MM

Reported % **- 4.4%**



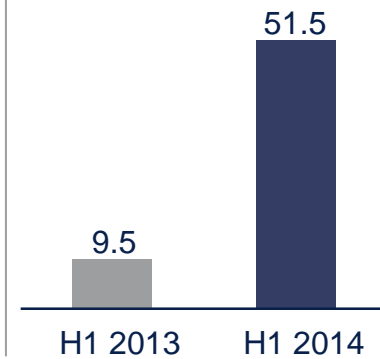
TRANSPORT €MM

Reported % **+ 0.6%**



DIGITAL (ONLINE) €MM

Reported % **x 5.5**



Key drivers for the billboard product segment

- 2,000 unutilized network spaces released for selective location booking
- Doubling regional sales force to 200
- New agreements for third party sales/new contract wins
- Strong growth in giant poster business (BlowUp)



Building a strong platform for future digital growth

 50.4%	B2B marketer of SME, business and finance portals
 100%	Strong independent marketer of premium channels
 100%	Strong independent marketer of premium channels
 97%	Important German ad exchange platform
 100% <i>(asset deal)</i>	Pioneer in location based advertising
 62.3%	International online marketer with presence in Turkey and Poland
 79.1%	Technology leader in precise target group identification
 70%	Leading marketer of in-game advertising in Germany
 51%	Leading German online video channel Network
	Agreement for exclusive Sales & Marketing of advertising products

Top 3 digital marketer straight from the start

Integration well on track

Fivefold revenue increase

58% organic revenue growth yoy

~ EUR120m revenues p.a. expected

Operational Highlights Q2/H1



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La Crema
Kaffee & Co.

Strong performance of Public Video: World cup campaign for adidas

- Reactive video content ads right after matches of the German team
- 30 sec teaser campaign
- More than 30 different copies

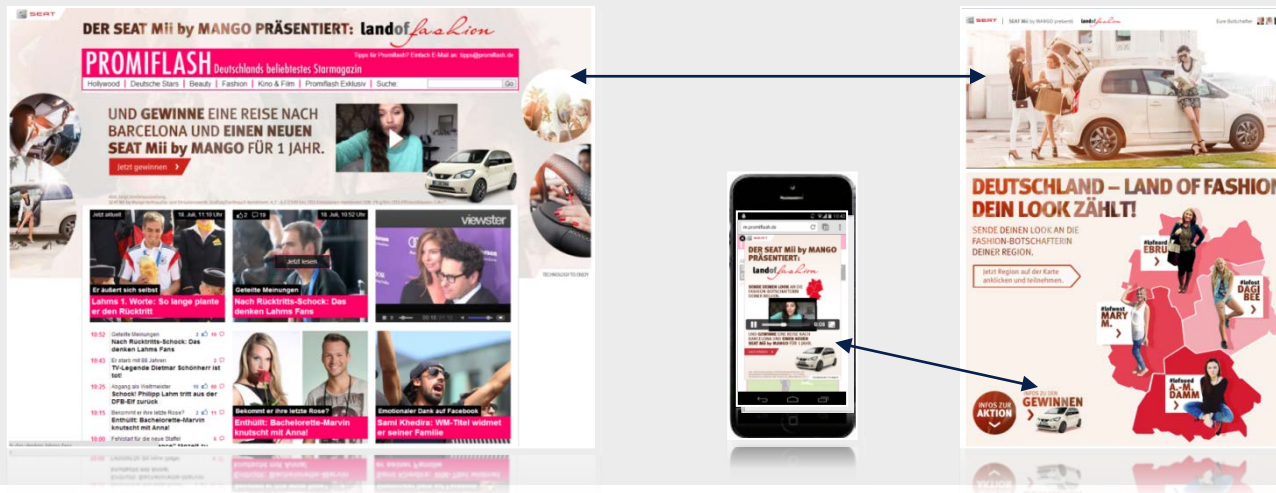


- Flexible copy switch daily at 5.30am
- Leveraging high frequently spots at stations & underground
- Fully integrated element of a broader OoH campaign



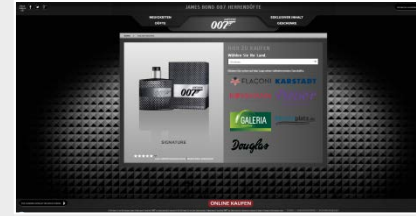
Growing number of integrated digital concepts: Advertorial video campaign for Seat by Mango

- Regional styling contest to activate customers for Mango & Seat
- Integrated bundling of: Online video advertising; our youtube multichannel network tubeone; advertorials with Promiflash and mobile marketing
- Modular set up allows smart scaling for other clients



Next level premium online display sales: 360° ad campaign for Procter & Gamble

Men's Health Style Guide presented by James Bond 007



- 5 months cooperation
- Integration of advertorials
- Raffles: targeting and performance elements
- Sponsoring ads
- Mobile advertising package

Unique mobile click-through optimization: Local activation campaign for T-Mobile

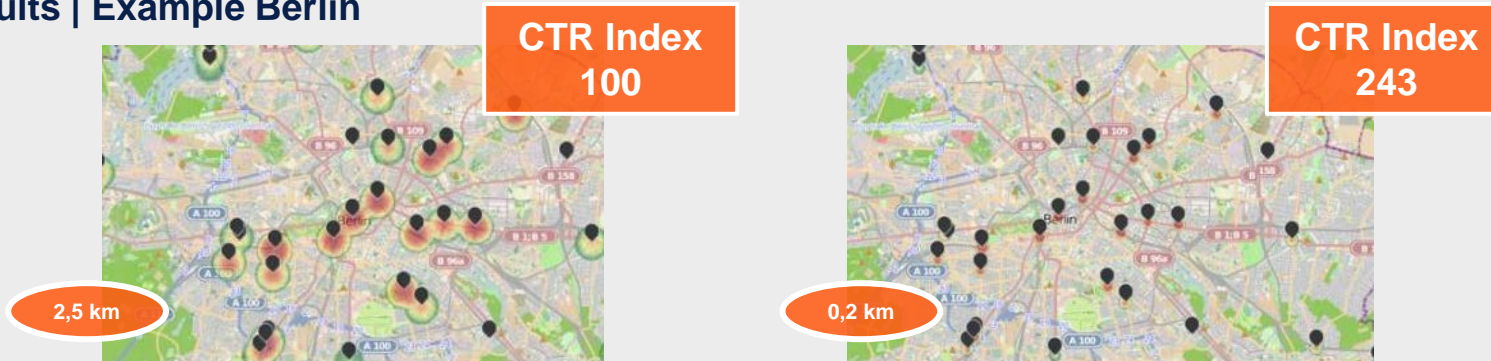
Campaign mechanics

1 Localised User

2 Localised landing page

3 Pushing store traffic

Results | Example Berlin



Leveraging client portfolio across OoH markets: Successful enhancement of HRS for Turkey

OoH campaign Germany



- Cross market & cross country deal with key customer
- OoH as key launch medium for HRS market entry in Turkey
- Based on client deal structure: 100 per cent share with Ströer

HRS Launch campaign Turkey



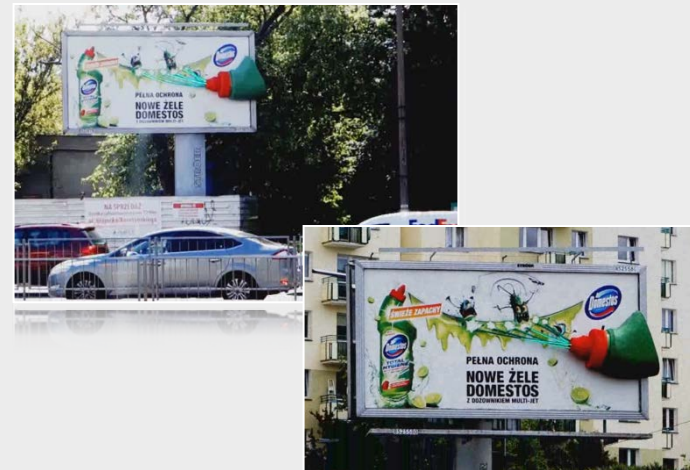
Re-energizing sales activities in Poland: Exemplary cases for Costa Coffee & Unilever

Talk of the Town Campaign



Pushing best-in-class cases for marketing of OoH media

Special ad installation



Broadening customer base through dedicated new business activities (FMCG)

Strong development across all BlowUp markets: Broadening customer base in UK and Germany



- Berlin Kurfürstendamm
- adidas presented Bastian Schweinsteiger and his football boot in May in Berlin
- Size: 901 m²



- London, Birmingham, Liverpool, Glasgow, Coventry
- Virgin Media used multiple locations to attract attention in the UK
- Size: 61 to 490 m²

Financials



Ströer Media AG H1 2014 results

(€MM)	H1 2014	H1 2013	Change (%)
Revenues (reported)*	334.7	282.4	+19
Adjustments (IFRS 11)	6.2	6.6	-6
Direct costs	-207.4	-171.8	-21
SG&A	-80.0	-72.4	-11
Other operating result	4.2	2.6	+64
Operational EBITDA	57.8	47.4	+22
Margin %	16.9	16.4	
Depreciation	-19.7	-20.0	+1
Amortisation	-17.6	-15.9	-10
Exceptional items	-3.5	-4.0	+11
EBIT (adjusted)	34.5	25.3	+37
Net income (adjusted) ⁽¹⁾	17.3	9.8	+76
Net income*	3.4	-1.7	n.d.

Notes

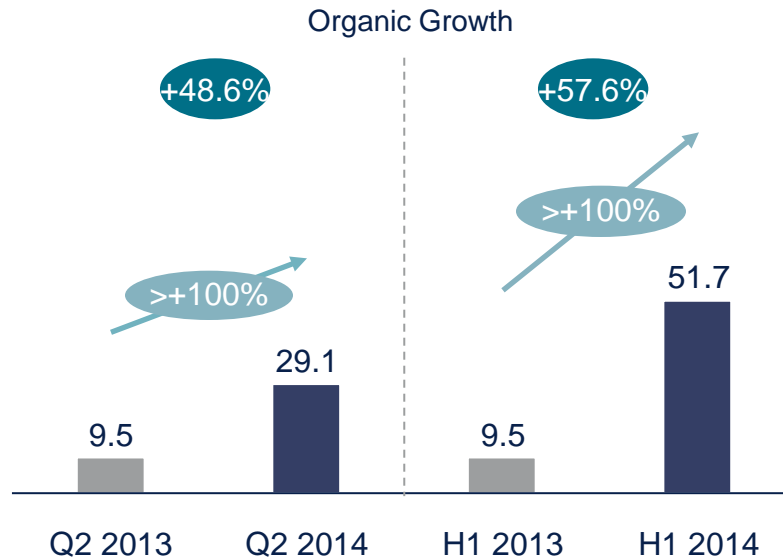
(1) Net Income mainly adjusted for EUR 14.0m relating to the non-cash amortization of hidden reserves from advertising concessions which were recognized in connection with earlier acquisitions

* Adjusted by IFRS 11

Ströer Digital: Reported revenues increased fivefold

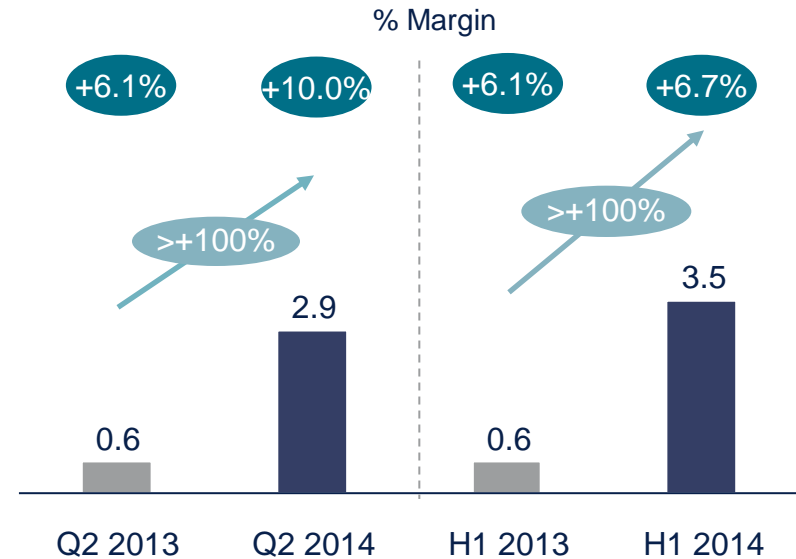
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

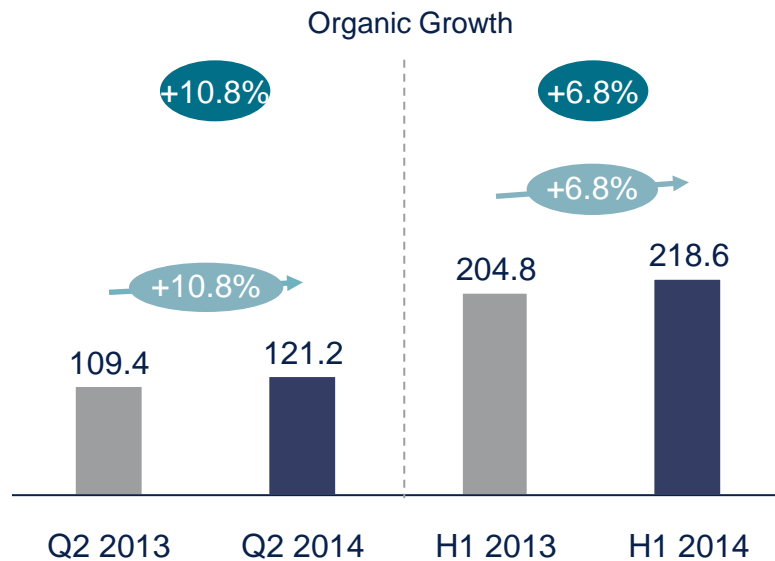


- Fivefold revenue increase to 51.7 € MM
- Organic growth at 58% yoy
- Operational EBITDA in line with expectation

Ströer Germany: Strong growth in a stable market environment

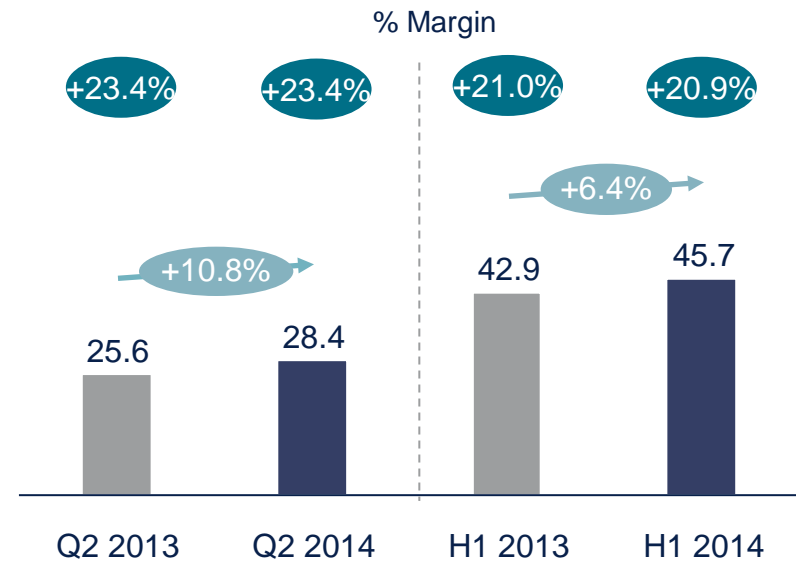
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

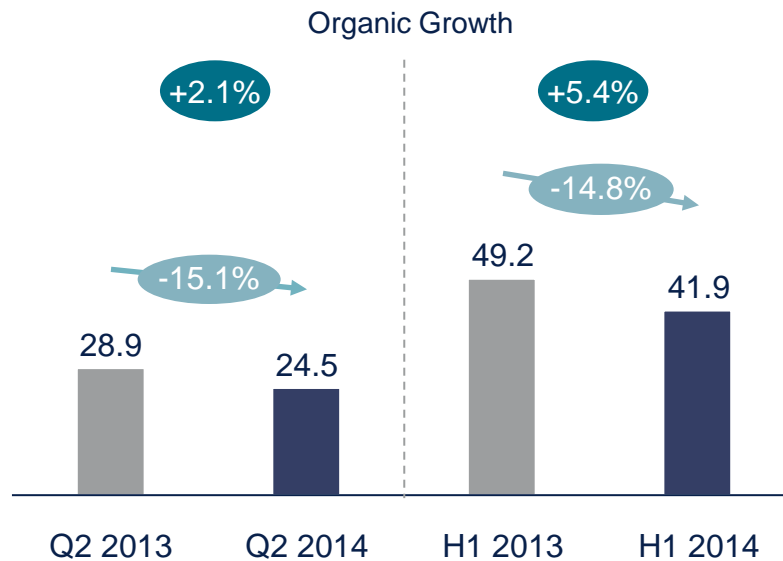


- Revenue Growth especially due to the billboard product segment

Ströer Turkey: Solid organic growth

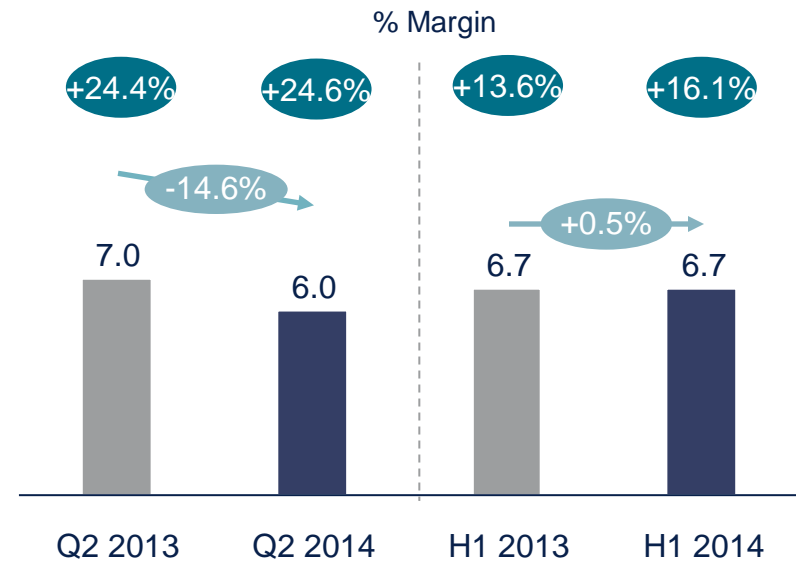
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

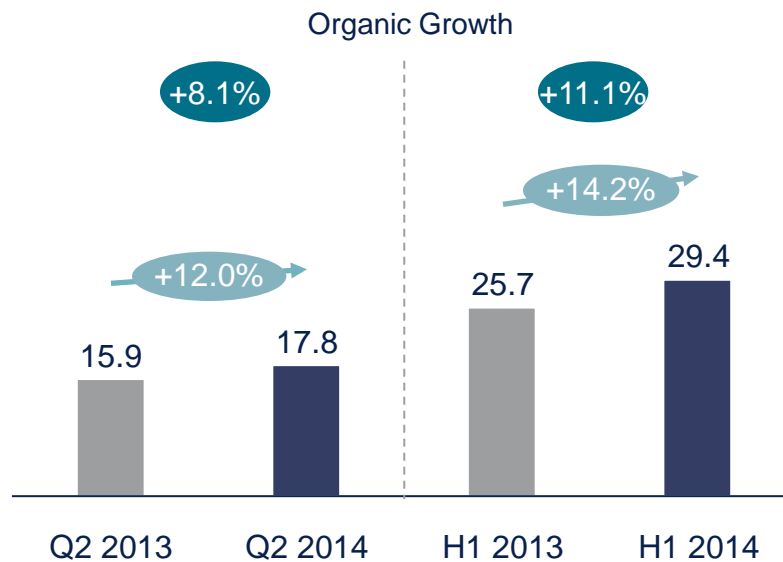


- Solid organic growth based on regional demand despite macro uncertainties
- Currency devaluation effects impaired reported revenue line by 14.8% in the first half of 2014, organic revenue up 5.4%

Ströer Other*: Strong EBITDA contribution from both BlowUP and Ströer Poland

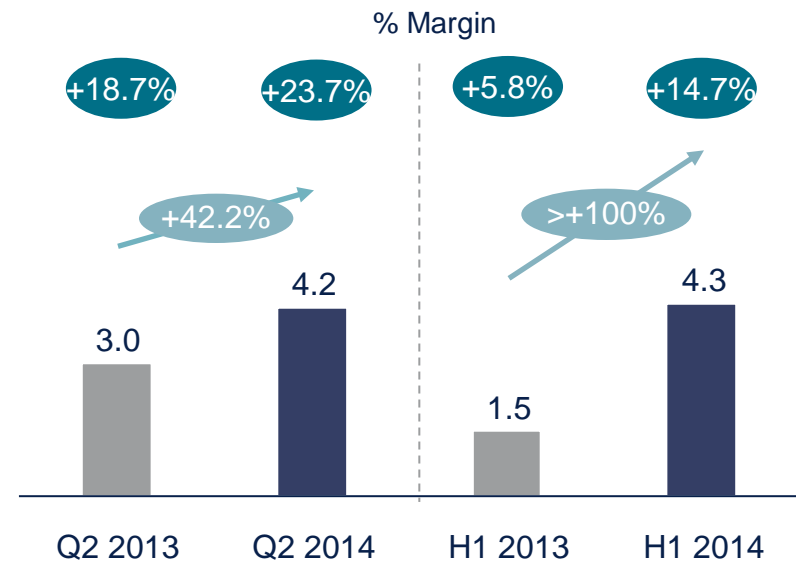
REVENUES

€ MM



OPERATIONAL EBITDA

€ MM

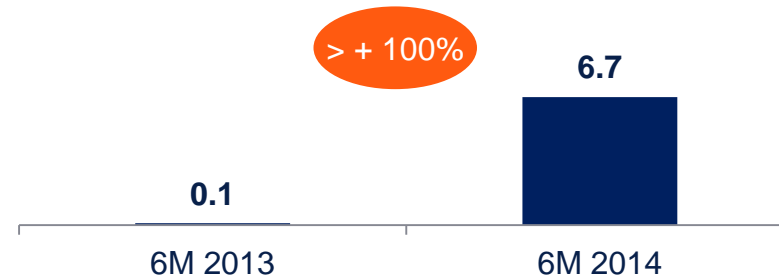


- BlowUP with strong topline and operational EBITDA performance
- In Poland, media markets still soft but continuously stabilizing
- Op. EBITDA of Ströer Poland benefitting from rigorous cost saving program

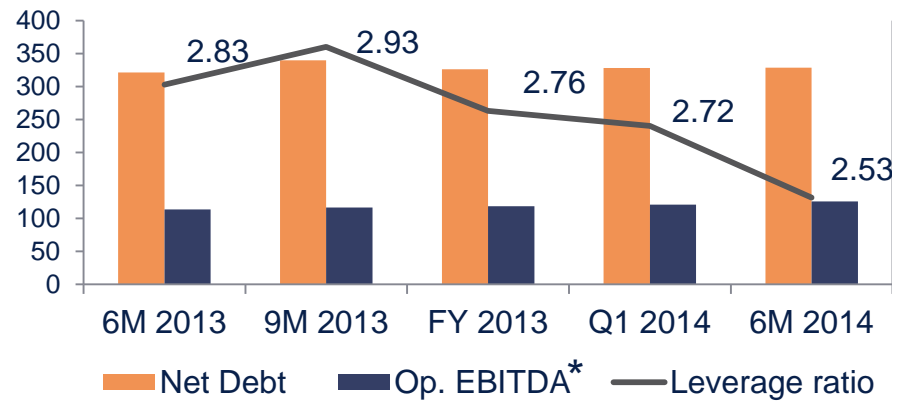
Strong free cash flow & improving leverage

- Higher free cash flow driven by strong operational performance
- Improvement of net debt in spite of dividend payment in Q2
- Successful refinancing structure in place
- Continuing and consequent deleveraging

Strong free cash flow generation



Improving leverage



*last 12 months

Summary & Outlook



Summary: Ströer 3.0 pays off

- ✓ Revenue Growth by 18.5% to 334.7 Million €
- ✓ Digital Business increased fivefold to 51.7 Million €
- ✓ Operational EBITDA expanded by 21.9% to 57.8 Million €
- ✓ Net income (adj.) grew by 76% to 17.3 Million €
- ✓ Strong financial position, leverage down to 2.5x EBITDA

For the third quarter of 2014 we expect total group revenue growth from 10 to 15% with organic growth of around 10%

For the full year of 2014 we expect our total group revenue to grow at a high single digit organic growth rate compared to the previous year and operational EBITDA of at least EURm135

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