

STRÖER

Von der Kö
in die Höh!

Mallorca mehrmals täglich
ab €499^{99*}

Flieger
de
Mallorca
→

Mehrmals
täglich

ab
€499^{99*}

Flieger de Mallorca.



Wir
Condor

Goldman Sachs Roadshow, Paris

December 6, 2018 | Ströer SE & Co. KGaA

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Outlook

Results 9M 2018 (Continuing Operations)

m€		9M 2018	9M 2017 (pro forma) ⁽¹⁾	▲
Revenues	Reported	1,112.7	870.4	+28%
	Organic ⁽²⁾	8.1%	9.1%	-1.0%pts
Operational EBITDA		363.9	317.2	+15%
EBIT (adjusted) ⁽³⁾		164.4	139.9	+18%
EBIT (adjusted) margin		14.8%	16.1%	-1.3pts
Net income (adjusted) ⁽³⁾		119.1	100.6	+18%
Operating cash flow		226.0	213.5	+6%
Capex		88.9	88.6	+0.4%
		30 Sep 2018	30 Sep 2017	
Net Debt ⁽⁴⁾ / Leverage Ratio ⁽⁵⁾		623.2 / 1.8x	545.9 / 1.8x	

(1) Retroactive application of IFRS 16 and elimination of prior IFRS 11 adjustment

(2) Excluding exchange rate effects and effects from (de)consolidation and discontinuation of operations

(3) Adjusted for exceptional items and additional other reconciling factors in D&A (PPA related amortization and impairment losses), in financial result and in income taxes (applying a normalized tax rate of 15.8%)

(4) Financial liabilities less cash, excl. IFRS 16 lease obligations and elimination of prior IFRS 11 adjustment

(5) Net debt divided by Op. EBITDA of last 12 month (adjusted for IFRS 16)

We stay fully on Track with our organic long-term Growth Strategy

- 1 Focus on Germany & Divestment of non-core businesses
- 2 CAPEX: Continuous investment in digitization of inventory (i.e. roadside) and smart city pilot projects
- 3 OPEX: Accelerated investment in both regional and local sales force parallel to customer-centric national sales



Focus on Germany: Successful Termination of Engagement in Turkey

- Ilbak Holding acquired final 90%
- Valued around 15m€
- Turkish Business approx. 2% of Ströer's EBITDA



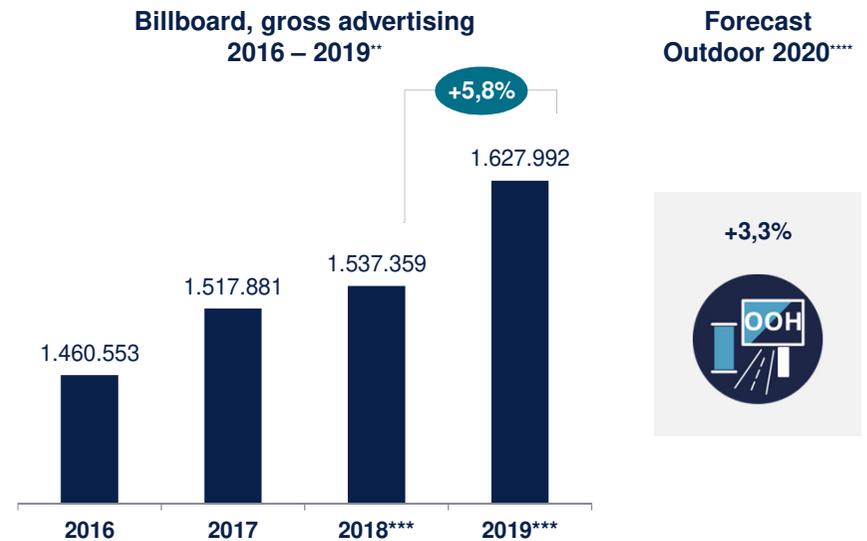
Sustainable Momentum for OOH in Germany

Mobility in Germany



17%* growth of mobility in cities vs. countryside

Development Gross Advertising Spendings



ma 2018 Plakat confirms Out-of-Home growing reach: reach of outdoor advertising remains consistently stable across all advertising media, local sizes and target groups, other broadcasting media declining (TV, radio)

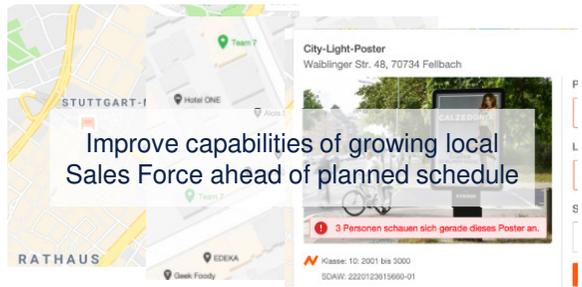
* Increase in city mobility (traffic performance) compared to 2008, Source: Report "Mobility in Germany 2017"; ** Source: Nielsen Media Research, *** 2019 forecast, 2018 incl. Q4 forecast Nielsen Media Research; **** Zenith Advertising Expenditure Forecast September 2018, Source: horizont.com

Strategy of regional Excellence and Digitization fully on track

Ströer Roadside Screens winning European Innovation Award



Do it for you 'Service Platform'



Buildup of Digital Infrastructure Roadside and in Malls / Station on Track



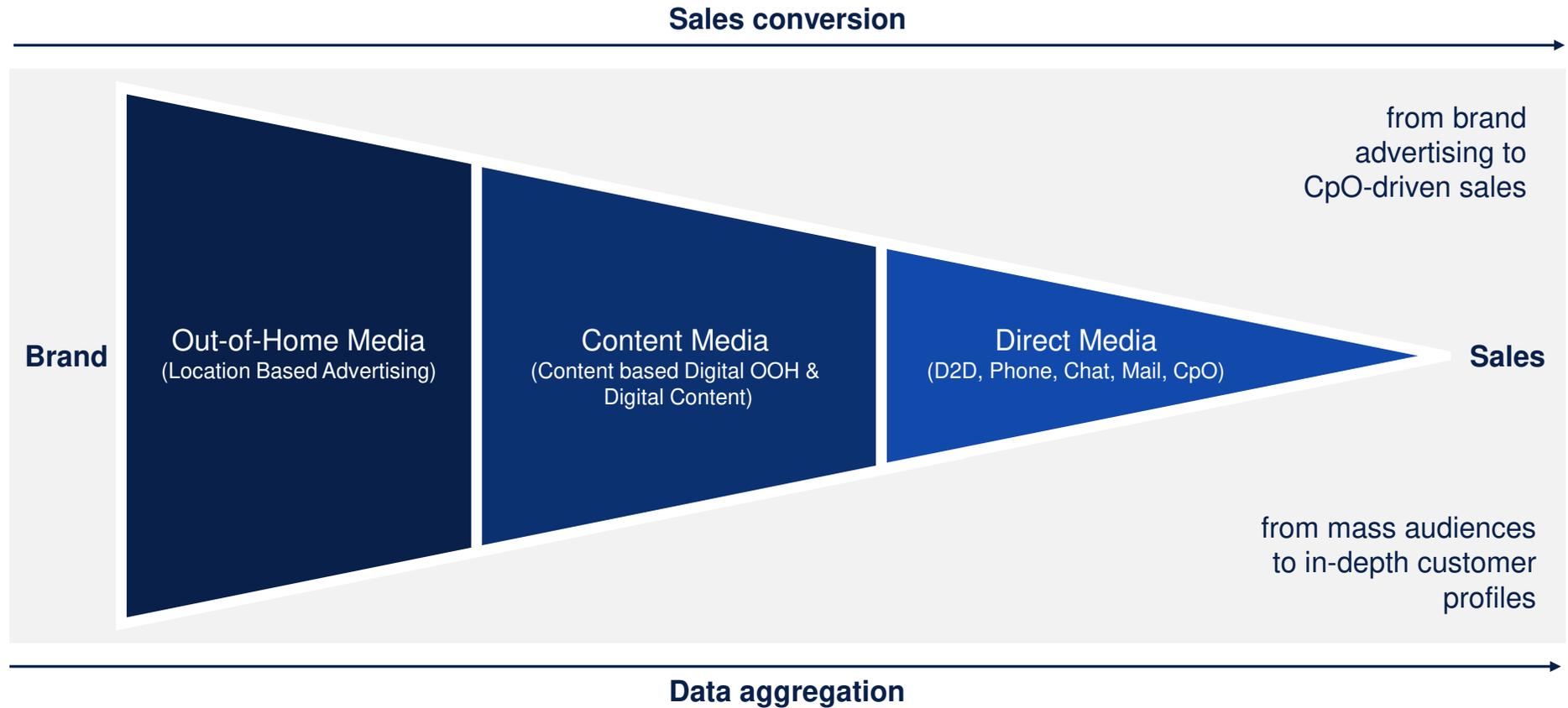
Strong growth of local & digital sales force

Sales team/FTEs	2016	2017	e2018	e2019	e2020
Regional consultants	89	118	110	120	130
Local sales	243	284	520	685	850
"Digital only" consultants	62	58	120	140	160
Ströer SME only call center agents	40	35	50	55	60
TOTAL	434	605	800	1,000	1,200

Broad Office Coverage Local Market Know-How



Integrated Offering gains Traction for large national Customers



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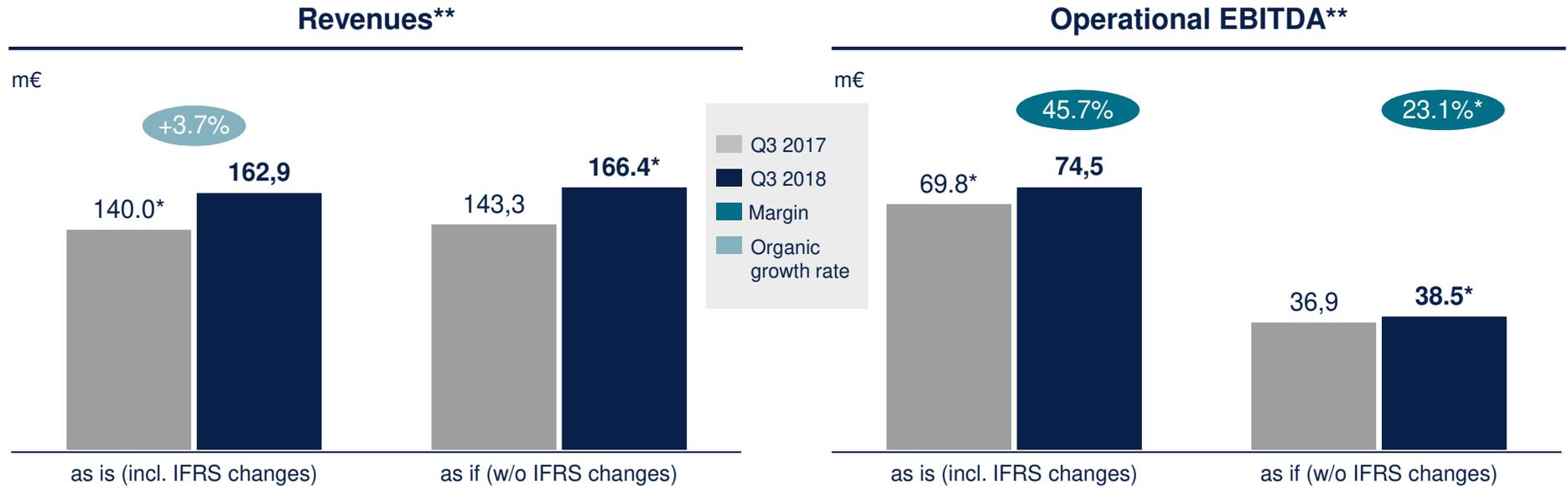
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OoH Media: Sustainable Growth Performance



- Sustainable growth in Germany supported by local and regional sales initiatives
- Op. EBITDA growth influenced by product mix effects and further investments into organic growth
- Smaller bold on acquisitions in OoH Media (e.g. UAM Group) in line with expectations; ongoing integration activities

*Pro forma

**Continuing Operations

Out-of-Home Media – Success Cases Q3

Oatly!
30 Creatives for Social Talk-of-town



Mc Donalds
McDelivery Day I Influencer Campaign



Nestlé Purina
Digital Brand Cube



Out-of-Home Media – Summary

1 Strong position in structurally and sustainably growing OoH market with high market entry barriers

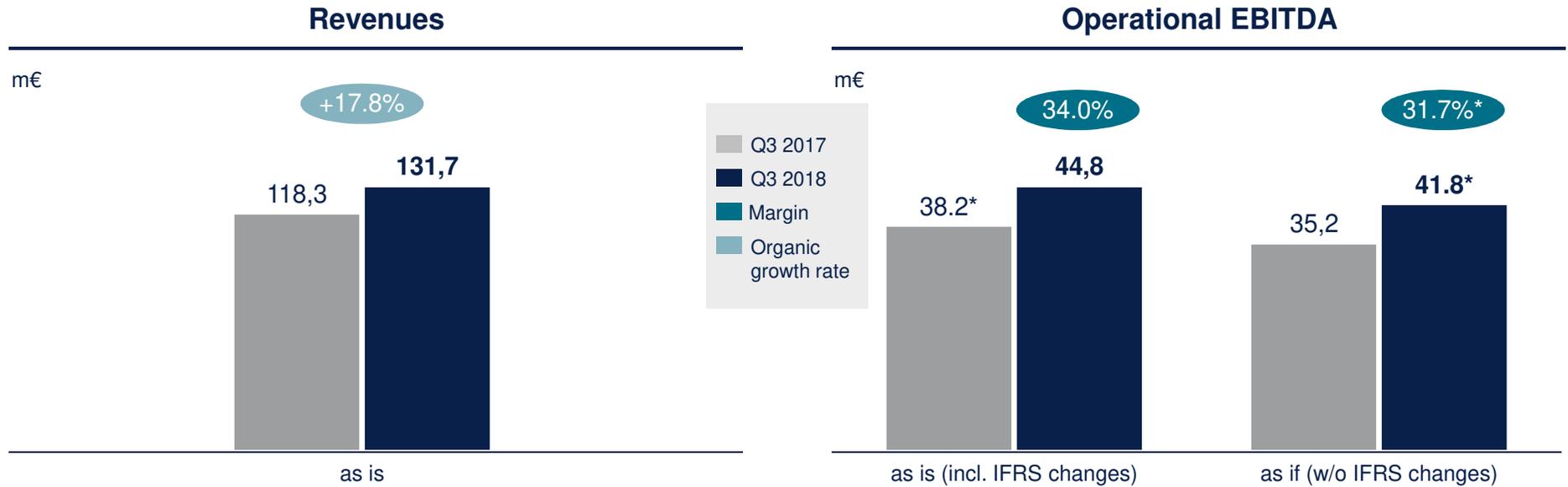
2 Leading in digital OoH already today and improving position with further digitization of inventory

3 Accelerated rollout plan for constantly growing regional and local sales force supported by state of the art Do-it-for-you platforms

4 Smart and integrated solutions to link OoH inventory into POS, Event-, Direct- and Online-Media

5 Strong partner for development of smart cities and environmental infrastructure solutions in a broader strategic context

Content Media: Profitable Growth in Q3 2018

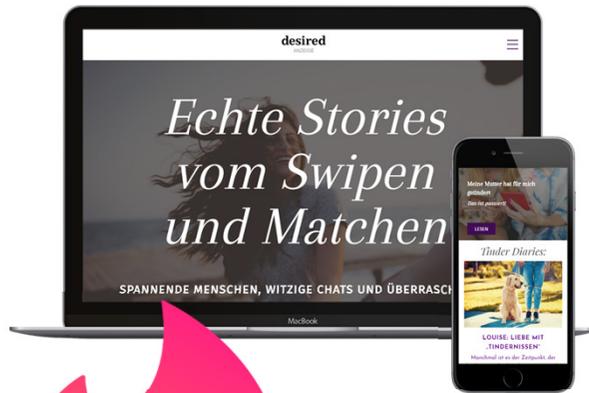


- Strong organic growth in both newly acquired and established content media assets, all product groups positively effected
- Profitability increase driven by strong performance of Digital OOH (Public Video) and Statista
- Ongoing portfolio optimization to sharpen segment profile and focus on profitable growth

*Pro forma

Content Media – Success Cases Q3

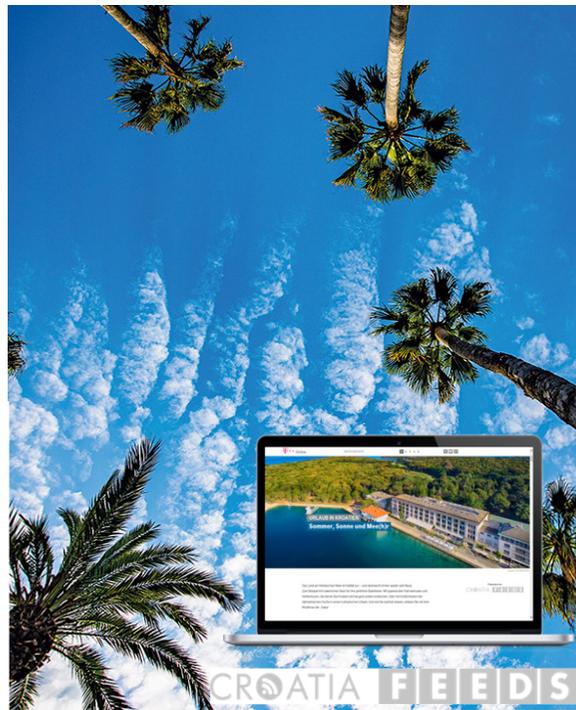
Tinder
Ströer Media Brand Voice



More than
3 min
dwell time

Brand Booster
CTR:
0,28 %

Croatia Tourism
Visual Storytelling TOL



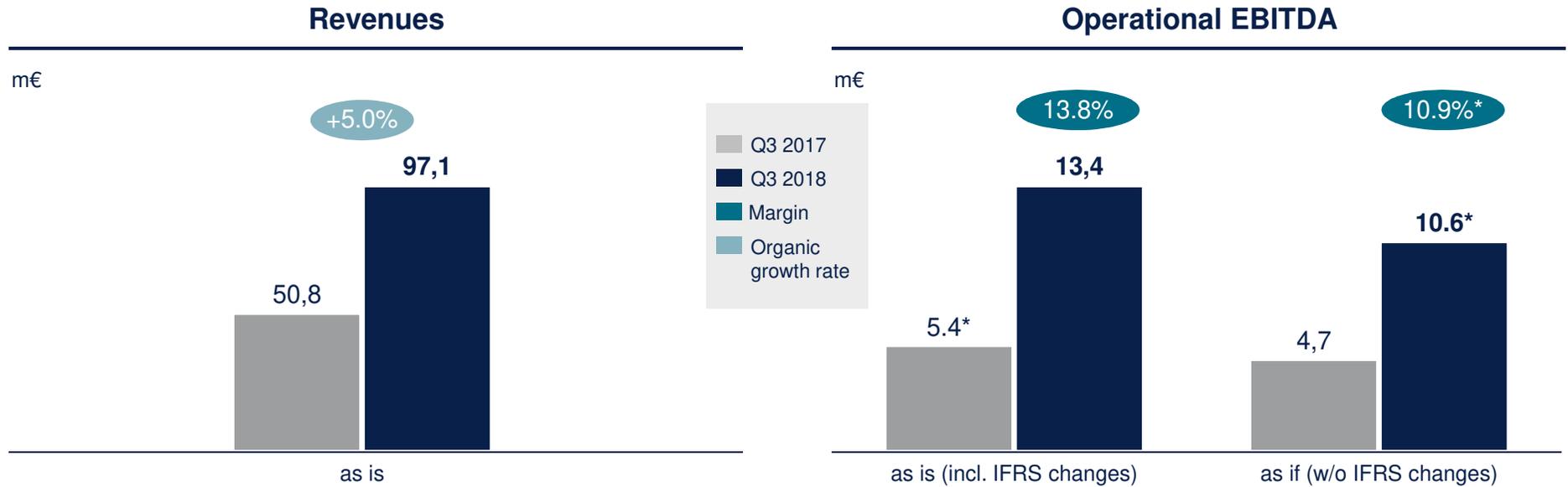
roastmarket.de
M.I.A. Targeting



Content Media – Summary

- 1** Strong backbone of highly profitable owned assets across all relevant target groups incl. unique Public Video Network (~ 20-25% of Segment)
- 2** Platform business opens up opportunities for further German market consolidation
- 3** Sustainable and broad range of exclusive 3rd party inventory – with further growth potential
- 4** Unique B2B Service Offering of Statista constantly outperforming midterm plan with growth rates Beyond 50% and increasing profitability
- 5** Proprietary tech stack with measurable results and clear path for GDPR compliant data solutions

Direct Media: Strong Growth backed by new Businesses



- Direct Media strongly above PY especially driven by acquired business in Dialog Marketing
- Op. EBITDA impacted by General Data Protection Regulation adoption (effect of roughly -2m€ in Q3)
- Ongoing strong integration efforts in line with expectations and investments in tech-solutions (e.g. optimise-it)

*Pro forma

Direct Media – Success Cases Q3

Realperson Chat Suite®
by optimise-it



DeutschlandCard
Service Provider Change



Media Markt Saturn Customer
Service for Online/Offline Retail



MediaMarktSaturn
Retail Group

Direct Media – Summary

1

Better access to clients strengthens OOH product sales and increases share of wallet

2

Growing clients demand is driving growth for the business segment in combination with higher expectations towards integration of tech and data

3

Significant relevance after one year into the business and excellent position for further growth and margin oriented market consolidation

4

Huge potential for integrated Ströer group solutions with clients already being leveraged

5

Consolidation of all agents and direct channels on one tech and campaign management platform driving margin improvements as well as quality and flexibility for clients

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Changes in Financial Reporting – Recap

1 New Segment Structure as of 1 January 2018

2 Application of IFRS 16

3 Elimination of IFRS 11 Adjustment

4 Focus on Continuing Operations



IFRS 16: Implications at Ströer Group in Q3 2018

(Continuing Operations)

Impact of IFRS 16 on Ströer KPIs in Q3 2018

m€	Q3 2018		Impact
Revenues	386.8	→	No changes
Operational EBITDA	127.1	↑	Increase by +45.8 m€ (elimination of operating lease expenses)
D&A	-85.7	↑	Increase by -43.7 m€
EBIT (adjusted)	55.9	↑	Increase by +2.1 m€ (as operating lease expenses are replaced by depreciation and interest)
Financial result	-7.4	↑	Increase by -5.3 m€
Net Income (adjusted)	40.6	↓ / →	Decrease by -2.7 m€ (timing effect due to higher interest during first years, neutral over time)
Free Cash Flow (before M&A)	44.1	↑	Increase by +25.0 m€ (reclassification of lease liability repayments in Financing Cash Flow)
Liabilities	1,851.4	↑	Thereof 1.1 bn€ IFRS 16 lease obligations (capitalized future operating lease payments)

Comment

- Scope at Ströer Group: >16,000 leasing contracts
- Main P&L effects: increase in EBITDA and EBIT, long-term neutral to Net Income
- Strongest effects in OoH Media
- Additional 1.1 bn€ liabilities have no impact on our leverage ratio definition of our lenders

IFRS 16: Financial Reporting

Consolidated Financial Statements

	Q3 2018		Q3 2017	
	incl. IFRS changes	w/o IFRS changes	incl. IFRS changes	w/o IFRS changes
Quarterly Statement	✓	✓*/✗	✓*/✗	✓
Presentation on Q3 2018 Statement	✓	✓	✓	✓



Comment

- In our quarterly statement no adoption of IFRS 16 retrospectively for 2017 (so called modified retrospective approach)
- For better transparency, like-for-like comparison of our financials before and after IFRS changes depicted in this presentation

*Only for main KPIs

Disposal OoH Turkey – Effect on Profit and Loss Statement Q3 2018 (incl. IFRS 16)

m€	Group incl. discont. operations*	Discontinued operations*	Group continuing operations
Revenues (reported)	392.0	5.1	386.8
Operational EBITDA	129.4	2.3	127.1
Exceptional items	-8.4	-0.2	-8.2
EBITDA	121.0	2.1	118.9
Depreciation & Amortization	-88.3	-2.6	-85.7
EBIT	32.7	-0.5	33.2
Financial result	-8.3	-0.9	-7.4
Tax result	-4.0	-0.8	-3.2
Net Income	20.4	-2.2	22.6
Adjustment	19.4	1.4	18.0
Net Income (adjusted)	39.8	-0.8	40.6

Comment

- Turkish business has not been part of Ströer's core business and was sold for a Transaction Value of 15m€
- For Turkish business was originally an op. EBITDA for FY 2018 in the amount of 6m€ planned
- The transaction is slightly accretive in terms of earnings and cash and unlocks management attention

*Excluding write-down of -14m€ on the Turkish OoH business

Profit and Loss Statement Q3 2018

(Continuing Operations)

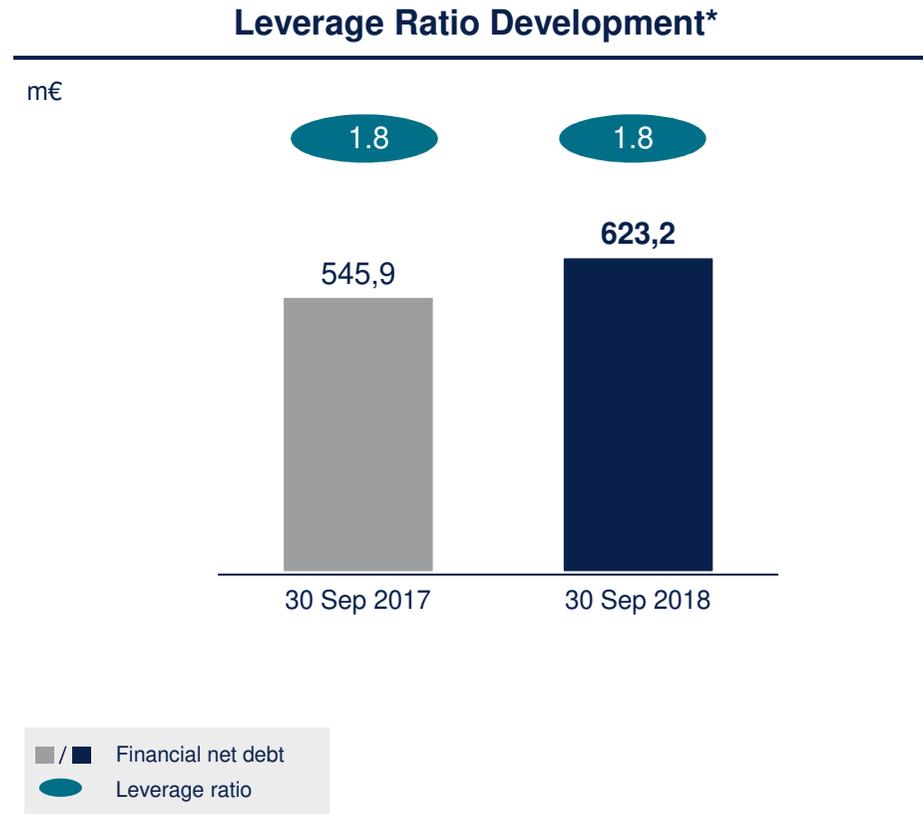
m€	Q3 2018	Q3 2017*	▲ %	Analysis
Revenues (reported)	386.8	303.6	+27%	↑ Expansion driven by 8.1% organic growth and M&A
Operational EBITDA	127.1	108.7	+17%	↑ Strong growth
Exceptional items	-8.2	-7.2	-14%	→ Material M&A and integration expenses
EBITDA	118.9	101.5	+17%	
Depreciation & Amortization	-85.7	-75.6	-13%	→ Scoping effects of IFRS 16
EBIT	33.2	25.9	+28%	
Financial result	-7.4	-7.8	+4%	
Tax result	-3.2	-2.3	-38%	
Net Income**	22.6	15.8	+43%	
Adjustment***	18.0	18.1	-1%	
Net Income (adjusted)	40.6	33.9	+20%	↑ Strong growth – adjusted and non-adjusted

*Pro forma (retroactive application of IFRS 16 and elimination of prior IFRS 11 adjustment)

**Excluding the result from discontinued operations of -16.5m€ (PY: -1.6m€)

***Adjusted for exceptional items (+8.2m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +14.4m€), in financial result (-0.2m€) and in income taxes (-4.4m€)

Bank Leverage Ratio (Continuing Operations)



*Net debt and Op. EBITDA (LTM) adjusted for IFRS 16 (no application of prior IFRS 11 adjustment)

Comment

- IFRS 16 leads to a paradigm shift in lease accounting but has no impact on our bank definition of the financial leverage of our lenders` banks
- From now on, use of leverage ratio definition based on our facility agreement as our solvency KPI (“Bank Leverage Ratio”)
- Bank Leverage Ratio amounts to 1.8 as of 30st September 2018

Profit and Loss Statement Q3 2018 – As If

(Before Application of IFRS 11 and IFRS 16, Continuing Operations)

m€	Q3 2018*	Q3 2017	▲ %	Analysis
Revenues (reported)**	386.8	303.6	+27%	↑ Expansion driven by 8.1% organic growth and M&A
Adjustments (IFRS 11)	3.3	3.2	+3%	
Revenues (Management View)	390.1	306.8	+27%	
Operational EBITDA	82.6	71.8	+15%	↑ Strong growth
Exceptional items	-8.5	-7.6	-11%	→ Material M&A and integration expenses
IFRS 11 adjustment	-1.4	-1.2	-18%	
EBITDA	72.8	63.0	+15%	
Depreciation & Amortization	-41.9	-40.2	-4%	→ Stable D&A
EBIT	30.9	22.9	+35%	
Financial result	-2.1	-2.5	+16%	
Tax result	-4.1	-3.2	-29%	
Net Income***	24.7	17.2	+44%	
Adjustment****	19.7	19.8	-1%	
Net Income (adjusted)	44.3	36.9	+20%	↑ Strong growth – adjusted and non-adjusted

*Pro forma (no application of IFRS 11 and 16), calculation only for transition period 2018

**According to IFRS

***Excluding the result from discontinued operations of -16.3m€ (PY: -1.0m€)

****Adjusted for exceptional items (+8.5m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +14.8m€), in financial result (-0.2m€) and in income taxes (-3.4m€)

Free Cash Flow Perspective Q3 2018 – As If (Before Application of IFRS 11 and IFRS 16, Continuing Operations)

m€	Q3 2018*	Q3 2017
Op. EBITDA	82.6	71.8
- Exceptional items	-8.5	-7.6
- IFRS 11 adjustment	-1.4	-1.2
EBITDA	72.8	63.0
- Interest	-0.8	-0.8
- Tax	-12.3	-5.6
-/+ WC	-13.1	-13.0
- Others	+1.3	-1.8
Operating Cash Flow	48.0	41.9
Investments (before M&A)	-26.6	-27.4
Free Cash Flow (before M&A)	21.4	14.5

Comment

- Free Cash Flow increased by almost 50% from 15 to 21 million Euro
- Higher taxes mainly due to procedural changes of Fiscal Tax Authorities, which lead to anticipation of prepayments; this will relieve 2019 and 2020
- Working Capital increase in line with prior year's level
- Investments into internal growth opportunities according to plan

*Pro forma (no application of IFRS 11 and 16), calculation only for transition period 2018

Guidance Statement 2018: Reconfirmed

**For 2018 we expect total revenues of around 1.6 billion Euro and
an Operational EBITDA of around 375 Million Euro***

*w/o IFRS changes and incl. discontinued operations

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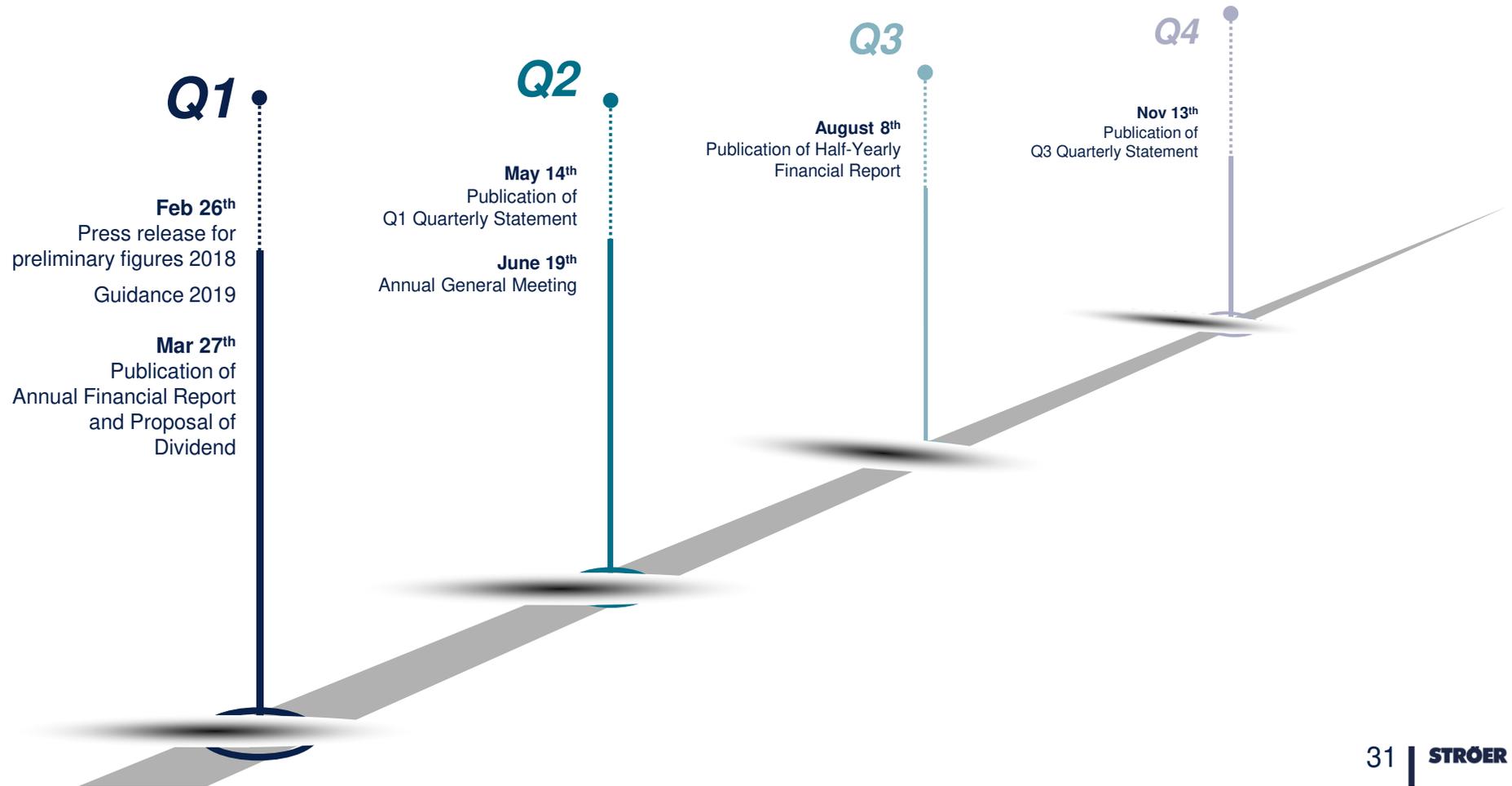
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Outlook

Outlook for Q4: Annual Results 2018 on March 26

1. **Similar to development of the last 23 quarters: solid business across the entire group with expected growth for 2018 in line with annual guidance**
2. **Overall challenging OoH Media business despite robust regional and local sales development and accelerating momentum in national OoH**
3. **Content Media segment consistently on track regarding top line growth, market share development as well as consolidation and integration processes with successful launch of new assets**
4. **Direct Media on track and in line with expectations – significant group synergies, cost cutting opportunities post merger and investments in new technologies**

Financial Calendar 2019



A person wearing a dark blue suit jacket and a matching tie is shown from the chest up. Their hands are clasped together in front of them. The background is a dark blue color with a repeating pattern of small, white, stylized human figures. Overlaid on the center of the image is the word "STRÖER" in large, bold, white, sans-serif capital letters. The letter 'Ö' has a unique circular cutout in its center.

STRÖER

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