STRÖER

STRÖER SE & Co. KGaA

HALF-YEAR FINANCIAL REPORT 6M/Q2 2019

CONTENTS

THE GROUP'S FINANCIAL FIGURES AT A GLANCE

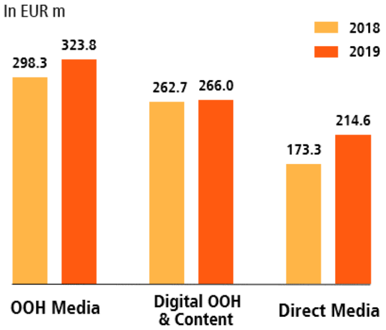
Continuing operations

REVENUE

EUR 787.4m

(prior year: EUR 725.9m)

SEGMENT REVENUE
In EUR m



EBITDA (ADJUSTED)[1]

EUR 256.0m

(prior year: EUR 236.9m)

EBITDA-MARGIN (ADJUSTED)

32.5%

(prior year: 32.6%)

ORGANIC REVENUE GROWTH

7.3%

(prior year: 8.0%)

ADJUSTED CONSOLIDATED PROFIT

EUR 84.0m

(prior year: EUR 78.5m)

FREE CASH FLOW BEFORE M&A TRANSACTIONS

EUR 126.7m

(prior year: EUR 93.0m)

ROCE

18.7%

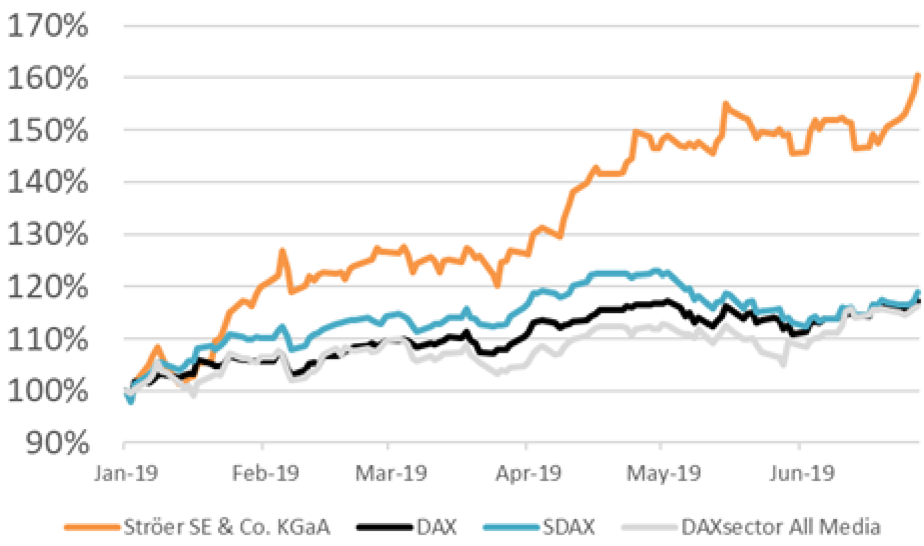
(prior year: 18.5%)

In EUR m	Q2 2019	Q2 2018	6M 2019	6M 2018
Revenue	**413.4**	**396.7**	**787.4**	**725.9**
EBITDA (adjusted)[1]	**138.5**	**129.3**	**256.0**	**236.9**
Adjustment effects	6.3	6.2	14.6	14.9
EBITDA	**132.2**	**123.1**	**241.4**	**222.0**
Amortization, depreciation and impairment losses	91.4	87.2	175.8	164.9
thereof attributable to purchase price allocations and impairment losses	19.5	21.3	34.6	36.7
EBIT	**40.8**	**35.8**	**65.6**	**57.0**
Financial result	7.2	8.1	14.9	15.8
EBT	**33.6**	**27.7**	**50.7**	**41.3**
Taxes	5.7	4.1	8.9	5.9
Consolidated profit for the period	**27.9**	**23.7**	**41.8**	**35.4**
Adjusted consolidated profit for the period	**49.7**	**46.7**	**84.0**	**78.5**
Free cash flow (before M&A transactions)			**126.7**	**93.0**
Net debt (30 June)			**671.8**	**610.0**

[1] "EBITDA (adjusted)" is in substance identical to the previous term "operational EBITDA."

THE SHARE

The German stock market performed very well overall in the first six months of 2019. Both the DAX and the SDAX, in which Ströer SE & Co. KGaA stock has been listed since 24 September 2018 following the update of Germany's benchmark index, rose by 17% on average compared with the beginning of the year. This moderate market development was the result of political uncertainties, such as potential trade conflicts and Brexit. Against this backdrop, the Ströer share performed encouragingly compared with the stock indexes and was priced around 60% higher than at the beginning of the year.



Stock exchange listing, market capitalization and trading volume

Ströer SE & Co. KGaA stock is listed in the Prime Standard of the Frankfurt Stock Exchange and in the SDAX. Based on the closing share price on 28 June 2019, market capitalization came to around EUR 3.7b.

The average daily volume of Ströer stock traded on Xetra was approximately 62,000 shares in the first six months of 2019.

Shareholder meeting

Ströer SE & Co. KGaA's shareholder meeting was held at the Koelnmesse Congress Center Nord on 19 June 2019 and was attended by approximately 170 shareholders and guests. Overall, more than 48.9 million shares of no par value were represented. All resolutions put forward by the supervisory board and general partner were approved. This also included the distribution of a dividend of EUR 2.00 per qualifying share.

Analysts' coverage

The performance of Ströer SE & Co. KGaA is tracked by 16 teams of analysts. Based on the most recent assessments, 12 of the analysts are giving a "buy" recommendation and 4 say "hold." The latest broker assessments are available at www.stroeer.com/investor-relations and are presented in the following table:

Investment bank	Recommendation*
Commerzbank	Buy
Liberum	Buy
Deutsche Bank	Buy
Goldman Sachs	Buy
Warburg Research	Buy
HSBC	Buy
Hauck & Aufhäuser	Buy
Barclays	Buy
LBBW	Buy
Citi	Buy
Bankhaus Lampe	Buy
J.P. Morgan	Buy
Oddo BHF	Hold
MainFirst	Hold
Morgan Stanley	Hold
Kepler Cheuvreux	Hold

* As of 23 July 2019

Shareholder structure

As of 30 June 2019, Co-CEO Udo Müller holds a total of 22.04%, supervisory board member Dirk Ströer holds 21.32% and Co-CEO Christian Schmalzl holds 0.05% of Ströer SE & Co. KGaA. According to the notifications made to the Company as of the date of publication of this report on 8 August 2019, the following parties reported to us that they hold more than 3% of the voting rights in Ströer SE & Co. KGaA: Deutsche Telekom AG (11.34%), Allianz Global Investors (6.01%) and Credit Suisse (3.45%).

The free float comes to around 45%.

Information on the current shareholder structure is permanently available at http://ir.stroeer.com

INTERIM GROUP MANAGEMENT REPORT

This interim group management report covers the period from 1 January to 30 June 2019.

Interim group management report

INTERIM GROUP MANAGEMENT REPORT

BACKGROUND OF THE STRÖER GROUP

Ströer is a leading provider in the commercialization of out-of-home and online advertising as well as all forms of dialog marketing in Germany, and offers its advertising customers individualized, scalable and integrated communications solutions along the entire media value chain.

It focuses on large national advertiser customers, for which the Ströer Group can provide the relevant reach and range of advertising possibilities, as well as the segment of small to medium-sized regional, local and even hyper-local advertisers through to individual local retailers. The Ströer Group can provide these with the product and also service infrastructure to allow them to configure and efficiently provide the best local customized solution.

In the digital segment, the Ströer Group commercializes and operates several thousand websites in German-speaking countries in particular and in the out-of-home segment, it operates approximately 300,000 advertising media. It has around 12,400 employees at over 100 locations. In fiscal year 2018, Ströer generated revenue of EUR 1.6b.

MACROECONOMIC DEVELOPMENT

According to the International Monetary Fund (IMF), the eurozone must be prepared for growth to stagnate at a low level in the medium term. The IMF forecasts low growth rates of 1.3% to 1.5% for 2019 and 2020. According to the IMF, domestic demand and job creation will drive growth, while changes in demographic structures and the ongoing decline in productivity will hold back the future economic development.

The Kiel Institute for the World Economy (IfW) expects German GDP to rise by 1.0% in 2019, whereas the ifo Institute in Munich has forecast GDP growth of just 0.6% for the current year. The Organisation for Economic Co-operation and Development (OECD) expects a slower increase in GDP of 0.7% for 2019.

FINANCIAL PERFORMANCE OF THE GROUP[2]

In the second quarter of 2019, the Ströer Group recorded again very impressive growth rates, thereby unmistakably driving forward its profitable growth course. After achieving **revenue** of EUR 725.9m in the first half of the prior year, this figure expanded to EUR 787.4m in the current year. The strong organic growth of the Group proved particularly favorable and was flanked by positive effects from the first-time inclusion of the smaller newly acquired companies in the consolidated financial statements. Conversely, the discontinuance of smaller operations (e.g., Ströer Mobile Performance, Bodychange, Conexus) in the course of portfolio adjustments dampened the reported revenue growth. Overall, the Ströer Group closed the first six months of 2019 with solid nominal and organic growth (8.5% and 7.3%, respectively).

In line with the rise in revenue, **cost of sales** also crept up from EUR 481.2m to EUR 518.7m in the same period. The increase in revenue-based lease payments and higher publisher fees were significant factors in this respect. In addition, the entities included in the consolidated financial statements for the first time had a negative impact, although some of this effect was cushioned by the discontinuance of smaller units in the course of portfolio adjustments. Overall, **gross profit** improved by EUR 24.1m to EUR 268.7m, bringing the gross profit margin to 34.1% (prior year: 33.7%).

The continued growth was also reflected in the Group’s **selling and administrative** expenses, which rose to EUR 214.3m after EUR 199.8m in the prior year. In particular, the increase was due to additional costs from the newly acquired entities, inflation-related cost adjustments as well as targeted growth investments in the Digital OOH & Content and OOH Media segments. As a percentage of revenue, selling and administrative expenses were thus down slightly on the prior year overall, accounting for 27.2% of revenue (prior year: 27.5%). At EUR 8.2m, **other operating result** was also down year on year (prior year: EUR 10.3m), while **profit or loss of equity method investees** was noticeably higher (EUR 2.9m compared with EUR 1.9m in the prior year).

In line with the excellent development of operating activities, the Group generated **EBIT** of EUR 65.6m in the first half of 2019 (prior year: EUR 57.0m). Spurred on by the same upward momentum, **EBITDA (adjusted)**[3] increased by EUR 19.1m to EUR 256.0m, while return on capital employed (**ROCE**) remained at a pleasing high level at 18.7% (prior year: 18.5%).

In the **financial result** meanwhile, the Group recorded a slight improvement compared with the prior year to EUR -14.9m (prior year: EUR -15.8m). In addition to general refinancing costs for existing loan liabilities, since the introduction of IFRS 16, the financial result has also included the expenses from the compounding of lease liabilities, which came to EUR -10.6m in the first half of 2019 (prior year: EUR -11.0m).

[2] The Ströer Group sold its Turkish OOH business in the fourth quarter of 2018. As the Turkish OOH business, unlike other smaller discontinued units such as Bodychange, constituted a discontinued operation within the meaning of IFRS 5, all prior-year items of the consolidated income statement were adjusted for the Turkish OOH business. The amounts of the Turkish OOH business were reclassified to profit or loss from discontinued operations. See our explanations in note 6 in the notes section of our 2018 annual report.

[3] “EBITDA (adjusted)” is in substance identical to the previous term “operational EBITDA.”

By contrast, the change in the **tax result** to EUR -8.9m (prior year: EUR -5.9m) largely reflects the sustained improvement in the Ströer Group's operating activities and related increase in the tax assessment base.

Consolidated profit or loss from discontinued operations came to EUR 0.0m for the first half of 2019 while the corresponding prior-year figure of EUR -3.5m reflected earnings contributions from the Turkish OOH business.

By successfully continuing the profitable growth course, the Ströer Group once again grew its **consolidated profit from continuing operations** from EUR 35.4m to EUR 41.8m in the first six months of 2019. The Group's **adjusted consolidated profit** was similarly positive at EUR 84.0m (prior year: EUR 78.5m) as the Ströer Group followed on seamlessly from the successful business development of the prior years in the first six months of 2019 as well.

FINANCIAL POSITION

Liquidity and investment analysis

The following overview relates exclusively to the continuing operations of the Ströer Group; the prior-year figures were adjusted for the contributions of the Turkish OOH business.[4]

in EUR m	6M 2019	6M 2018
Cash flows from operating activities	**173.7**	**153.0**
Cash received from the disposal of intangible assets and property, plant and equipment	1.8	1.3
Cash paid for investments in intangible assets and property, plant and equipment	–48.8	–61.3
Cash paid for investments in financial assets	–0.1	0.0
Cash received from and cash paid for the sale and acquisition of consolidated entities	–10.2	–59.2
Cash flows from investing activities	**–57.3**	**–119.2**
Cash flows from financing activities	**–130.0**	**–3.0**
Change in cash	–13.6	30.9
Cash at the end of the period	**90.1**	**115.1**
Free cash flow before M&A transactions (incl. IFRS 16 payments for the principal portion of lease liabilities)	37.7	3.1
Free cash flow before M&A transactions	**126.7**	**93.0**

The continuous upward trend of the Ströer Group is very clearly reflected in the positive development of **cash flows from operating activities**. Besides a tangible improvement in operating activities, evident primarily in a noticeable increase in EBITDA, this was also due to substantially lower tax payments, which had been high owing to considerable special effects in the prior year. Unfavorable shifts in working capital in particular had a contrasting effect. Overall, however, the Group recorded a sizable increase by EUR 20.7m to EUR 173.7m (prior year: EUR 153.0m).

After being shaped by substantial M&A payments in the area of dialog marketing in the prior fiscal year, the Ströer Group's **cash flows from investing activities** were significantly lower at EUR -57.3m this fiscal year, down from EUR -119.2m in the prior year. In addition to a decline in M&A activities, lower investments in intangible assets and property, plant and equipment also contributed to this decrease. Overall, the **free cash flow before M&A transactions** improved in the first six months from EUR 93.0m to EUR 126.7m. Adjusted for the IFRS 16 payments for the principal portion of lease liabilities, it came to EUR 37.7m (prior year: EUR 3.1m).

[4] For information on the sale of our Turkish OOH business, see our explanations in note 6 of the notes section of the 2018 annual report.

Cash flows from financing activities with net outflows of EUR -130.0m (prior year: EUR -3.0m) mostly reflected the payments made to acquire the remaining shares in Statista GmbH and Permodo GmbH as well as the increase in the dividend distributed to the shareholders of Ströer SE & Co. KGaA.

Cash stood at EUR 90.1m, which is a EUR 13.6m decrease on the value as of 31 December 2018 (prior year: EUR 103.7m).

Financial structure analysis

The increase in the Ströer Group's **non-current liabilities** by EUR 119.2m to EUR 1,766.8m is largely due to the addition of liabilities to banks. This item grew in the context of a dividend paid out to the shareholders of Ströer SE & Co. KGaA as well as a shift in current liabilities from put options to non-current liabilities to banks in connection with the acquisition of shares in Statista GmbH and Permodo GmbH.

The Group's **current liabilities** declined by EUR 123.5m to EUR 549.5m (prior year: EUR 672.9m) in the same period. As well as the shift between current and non-current liabilities described above, this mainly reflects the decrease in trade payables and lease liabilities.

At EUR 605.1m, the Ströer Group's **equity** was also down by EUR 63.4m from EUR 668.5m, due in particular to a dividend of EUR 113.1m paid to shareholders of Ströer SE & Co. KGaA. EUR 41.8m of this decrease was offset by the positive consolidated profit recorded for the first six months of the fiscal year. The equity ratio decreased slightly from 22.3% to 20.7%. Adjusted for the lease liabilities accounted for in accordance with IFRS 16, the equity ratio stood at 31.8% as of the reporting date.

Net debt

With a view to the adoption of IFRS 16 and the related recognition of additional lease liabilities, the Ströer Group bases the calculation of its net debt on its existing loan agreements with lending banks. In both the facility agreement and the contractual documentation on the note loans, the IFRS 16 lease liabilities were excluded specifically from the calculation of net debt as in the opinion of the contracting parties the economic situation of the Ströer Group has not changed as a result of the adoption of IFRS 16. Against this background and for the sake of consistency, the effects of IFRS 16 on EBITDA (adjusted) are also not reflected in the calculation of the leverage ratio.

in EUR m		**30 Jun 2019**	**31 Dec 2018**
(1)	Lease liabilities (IFRS 16)	1,019.9	1,055.3
(2)	Liabilities from the facility agreement	221.8	64.2
(3)	Liabilities from note loans	494.3	494.1
(4)	Obligation to purchase own equity instruments	16.6	75.4
(5)	Liabilities from dividends to non-controlling interests	4.8	9.6
(6)	Other financial liabilities	41.1	53.4
(1)+(2)+(3)+(4)+(5)+(6)	Total financial liabilities	1,798.4	1,752.1
(2)+(3)+(5)+(6)	Total financial liabilities excluding lease liabilities (IFRS 16) and liabilities from the obligation to purchase own equity instruments	761.9	621.4
(7)	Cash	90.1	103.7
(2)+(3)+(5)+(6)-(7)	**Net debt**	**671.8**	**517.7**

In the first half of 2019, net debt increased by EUR 154.1m from EUR 517.7m to EUR 671.8m, primarily attributable to the payment of a dividend of EUR 113.1m to the shareholders of Ströer SE & Co. KGaA and the purchase price payments in connection with put options exercised by non-controlling interests. At the end of the second quarter, the leverage ratio (defined as the ratio of net debt to EBITDA (adjusted)) stood at 1.79 and was therefore up slightly on the value at the end of the 2018 fiscal year of 1.43 due to seasonal effects. Compared with the value at the end of the second prior-year quarter (1.80), the leverage ratio is largely unchanged.

ASSETS

Analysis of the asset structure

The Ströer Group's **non-current assets** of EUR 2,582.1m decreased by EUR 60.5m compared with the end of last year (prior year: EUR 2,642.5m), primarily due to amortization of intangible assets and depreciation of property, plant and equipment, which were only partly offset by investments.

By contrast, **current assets** were roughly on a par with the prior year at EUR 339.3m (prior year: EUR 340.9m).

Assets held for sale decreased to EUR 0.0m as a result of the sale of Foodist GmbH and Ströer Mobile Performance GmbH, as did the related liabilities.

FINANCIAL PERFORMANCE OF THE SEGMENTS

The Ströer Group sold its Turkish OOH business in the fourth quarter of 2018. The prior-year figures in this section have therefore been adjusted for the discontinued operations of the Turkish OOH business in line with the provisions of IFRS 5.[5]

Out-of-Home Media

In EUR m	Q2 2019	Q2 2018	Change		6M 2019	6M 2018	Change	
Segment revenue, thereof	**180.8**	**164.4**	**16.4**	**10.0%**	**323.8**	**298.3**	**25.5**	**8.6%**
Large formats	95.2	85.5	9.7	11.3%	159.3	147.5	11.8	8.0%
Street furniture	37.9	36.2	1.8	4.9%	71.4	66.7	4.8	7.1%
Transport	15.8	15.6	0.3	1.8%	30.9	29.5	1.4	4.6%
Other	31.9	27.2	4.7	17.2%	62.2	54.5	7.7	14.0%
EBITDA (adjusted)	**83.9**	**76.7**	**7.3**	**9.5%**	**146.6**	**138.3**	**8.3**	**6.0%**
EBITDA margin (adjusted)	**46.4%**	**46.6%**	**-0.2 percentage points**		**45.3%**	**46.4%**	**-1.1 percentage points**	

The OOH Media segment saw its **revenue** grow by EUR 25.5m to EUR 323.8m in the first half of 2019. In terms of the individual product groups, all product groups contributed to revenue growth. The **large formats** business recorded significant growth (up EUR 11.8m to EUR 159.3m) on the back of robust demand from national and regional customers alike for traditional out-of-home products and as a result of our stepped-up local sales activities and further expansion of our road side screen portfolio. The **street furniture** product group, which mainly serves national and international customer groups in the German OOH market, also reported a demand-driven increase in revenue by EUR 4.8m to EUR 71.4m in the first six months. The **transport** product group, which operates almost exclusively on the German out-of-home market, lifted its revenue by EUR 1.4m to EUR 30.9m, with the growth stemming largely from business with local customers. The **other** product group also reported growth, with revenue up EUR 7.7m to EUR 62.2m. This growth was driven partly by smaller bolt-on acquisitions reported in this group which made a positive contribution. Also, full-service solutions (including the production of advertising materials) are traditionally in higher demand from our growth field of local and regional customers than from large national customers. These additional services are reported in the other product group.

Overall, the segment generated **EBITDA (adjusted)** of EUR 146.6m, which was an increase of 6.0% (prior year: EUR 138.3m) and an **EBITDA margin (adjusted)** of 45.3% (prior year: 46.4%).

[5] For information on the sale of our Turkish OOH business, see our explanations in note 6 of the notes section of the 2018 annual report.

Digital OOH & Content

In EUR m	Q2 2019	Q2 2018	Change		6M 2019	6M 2018	Change	
Segment revenue, thereof	**140.9**	**139.5**	**1.5**	**1.0%**	**266.0**	**262.7**	**3.2**	**1.2%**
Display	66.3	73.0	-6.7	-9.2%	132.3	137.4	-5.1	-3.7%
Video	37.9	30.1	7.8	25.9%	63.9	55.3	8.5	15.4%
Digital marketing services	36.7	36.4	0.4	1.0%	69.7	70.0	-0.2	-0.4%
EBITDA (adjusted)	**48.4**	**42.0**	**6.4**	**15.2%**	**92.4**	**77.2**	**15.1**	**19.6%**
EBITDA margin (adjusted)	**34.3%**	**30.1%**		**4.2 percentage points**	**34.7%**	**29.4%**		**5.3 percentage points**

In the first half of 2019, the Digital OOH & Content segment grew its revenue in an overall difficult market environment from EUR 262.7m to EUR 266.0m, despite some portfolio adjustments. The segment figures can only be compared with those of the prior year to a limited extent due to the portfolio adjustments.[6]

In terms of the individual product groups performance varied. The **display** product group recorded a decline in revenue in the first half of the year (down EUR 5.1m to EUR 132.3m) due to the adjustments made to the portfolio. However, adjusted for the sale of Mobile Performance and twiago in particular, the product group would have generated strong year-on-year revenue growth. The product group clearly escaped the general market pressure on display marketing in particular through the marketing of advertising formats on mobile devices and automated forms of marketing. The **video** product group reported significant growth of 15.4% to EUR 63.9m, buoyed by robust demand for our digital out-of-home products, in particular for moving-picture formats in the public domain (public video) and our programmatic public video offering. The **digital marketing services** product group was on a par with the prior year, posting revenue of EUR 69.7m (prior year: EUR 70.0m). A number of portfolio adjustments (especially Bodychange) were offset by the rapidly growing business with subscription models (Statista) and local digital product marketing business with small and medium-sized customers (RegioHelden), which is also reported in this product group.

The good business development in particular for digital out-of-home media as well as for our digital marketing activities and the Statista business had a noticeably positive effect on earnings. Overall, the segment reported an increase of EUR 15.1m in **EBITDA (adjusted)** to EUR 92.4m (prior year: EUR 77.2m) and a substantial rise in the **EBITDA margin (adjusted)** to 34.7% (prior year: 29.4%) in the first half of 2019.

[6] The operations sold – unlike the Turkish OOH business – were not defined as discontinued operations within the meaning of IFRS 5. In light of this, the prior-year figures were not adjusted in these instances.

Direct Media

In EUR m	Q2 2019	Q2 2018	Change		6M 2019	6M 2018	Change	
Segment revenue, thereof	**102.0**	**96.9**	**5.2**	**5.3%**	**214.6**	**173.3**	**41.2**	**23.8%**
Dialog marketing	76.7	69.3	7.4	10.7%	158.0	118.3	39.7	33.5%
Transactional	25.3	27.6	-2.3	-8.3%	56.5	55.0	1.6	2.8%
EBITDA (adjusted)	**10.7**	**15.0**	**-4.3**	**-28.5%**	**25.5**	**29.7**	**-4.3**	**-14.4%**
EBITDA margin (adjusted)	**10.5%**	**15.5%**	**-5.0 percentage points**		**11.9%**	**17.2%**	**-5.3 percentage points**	

The Direct Media segment comprises the dialog marketing and transactional product groups. Against the background of the newly acquired dialog marketing operations and the sale of operations in the transactional product group, the prior-year figures are currently only of limited comparative value for these two product groups.[7]

The integration of the newly acquired operations was significantly advanced in **dialog marketing** in the reporting period. The revenue growth in this business particularly benefited from the strong business development of our direct selling activities (door-to-door). The **transactional** product group recorded an increase in revenue by EUR 1.6m to EUR 56.5m for the first six months. However, if the portfolio adjustments (Conexus and Foodist) had not been made, the product group would have reported an even stronger increase in revenue of more than 10% year on year. Business in particular from own e-commerce products (AsamBeauty and Ströer Products) saw substantial growth.

Overall, the segment generated **EBITDA (adjusted)** of EUR 25.5m (prior year: EUR 29.7m) and an **EBITDA margin (adjusted)** of 11.9% in the reporting period (prior year: 17.2%).

[7] The operations sold – unlike the Turkish OOH business – were not defined as discontinued operations within the meaning of IFRS 5. In light of this, the prior-year figures were not adjusted in these instances.

EMPLOYEES

The Ströer Group employed a total of 12,421 people as of 30 June 2019 (31 December 2018: 12,514). 7,824 thereof are Direct Media employees, 2,374 Digital OOH & Content employees, 1,761 Out-of-Home Media employees and 462 are employed at the holding company.

OPPORTUNITIES AND RISKS

Our comments in the group management report as of 31 December 2018 remain applicable with regard to the presentation of opportunities and risks (see pages 53 to 58 of our 2018 annual report). As in the past, we are currently not aware of any risks to the Company's ability to continue as a going concern. Any material divergence from the planning assumptions used for the individual segments and any changes in the external parameters applied to calculate the cost of capital could lead to the impairment of intangible assets or goodwill.

FORECAST

For fiscal year 2019, the board of management expects organic revenue growth in the mid-single digit percentage range for the entire Ströer Group. EBITDA (adjusted) is also expected to increase by a mid-single-digit percentage figure.

SUBSEQUENT EVENTS

See the disclosures made in consolidated interim financial statements for information on subsequent events.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated interim financial statements

CONSOLIDATED INCOME STATEMENT

In EUR k	Q2 2019	Q2 2018[1)2)]	6M 2019	6M 2018[1)2)]
Revenue	413,435	396,733	787,427	725,859
Cost of sales	-269,649	-262,061	-518,737	-481,237
Gross profit	**143,786**	**134,672**	**268,690**	**244,622**
Selling expenses	-58,827	-59,149	-116,728	-111,814
Administrative expenses	-48,730	-44,563	-97,554	-87,997
Other operating income	8,206	7,171	20,227	16,834
Other operating expenses	-5,780	-3,421	-11,979	-6,539
Share in profit or loss of equity method investees	2,101	1,128	2,942	1,937
Finance income	884	58	1,027	994
Finance costs	-8,088	-8,163	-15,927	-16,777
Profit or loss before taxes	**33,553**	**27,733**	**50,698**	**41,260**
Income taxes	-5,699	-4,066	-8,917	-5,879
Post-tax profit or loss from continuing operations	**27,855**	**23,667**	**41,781**	**35,381**
Discontinued operations				
Post-tax profit or loss from discontinued operations	0	-831	0	-3,471
Consolidated profit or loss for the period	**27,855**	**22,837**	**41,781**	**31,910**
Thereof attributable to:				
Owners of the parent	25,083	20,012	35,528	29,007
Non-controlling interests	2,771	2,825	6,253	2,903
	27,855	**22,837**	**41,781**	**31,910**
Earnings per share (EUR, basic)	0.44	0.36	0.63	0.52
Earnings per share (EUR, diluted)	0.44	0.35	0.63	0.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EUR k	Q2 2019	Q2 2018[1)]	6M 2019	6M 2018[1)]
Consolidated profit or loss for the period	**27,855**	**22,837**	**41,781**	**31,910**
Other comprehensive income				
Amounts that will not be reclassified to profit or loss in future periods				
Actuarial gains and losses	0	0	0	0
Income taxes	0	0	0	0
	0	**0**	**0**	**0**
Amounts that could be reclassified to profit or loss in future periods				
Exchange differences on translating foreign operations	462	-4,531	724	-7,990
Income taxes	0	267	0	506
	462	**-4,264**	**724**	**-7,484**
Other comprehensive income, net of income taxes	**462**	**-4,264**	**724**	**-7,484**
Total comprehensive income, net of income taxes	**28,317**	**18,573**	**42,504**	**24,426**
Thereof attributable to:				
Owners of the parent	25,377	15,849	36,064	21,820
Non-controlling interests	2,940	2,724	6,440	2,607
	28,317	**18,573**	**42,504**	**24,426**

[1)] Restated retrospectively due to the purchase price allocations that were finalized after 30 June 2018. See our disclosures on the retrospective restatement of purchase price allocations in note 6 of the notes section of our 2018 annual report.

[2)] Restated retrospectively due to the sale of the Turkish OOH business, which is a discontinued operation within the meaning of IFRS 5. See our disclosures on the sale of the Turkish OOH business in note 6 of the notes section of our 2018 annual report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (in EUR k)	30 Jun 2019	31 Dec 2018[1)]
Non-current assets		
Intangible assets	1,237,737	1,261,676
Property, plant and equipment	1,267,175	1,299,214
Investments in equity method investees	21,164	24,219
Financial assets	2,898	2,822
Trade receivables	1,360	504
Other financial assets	11,815	15,023
Other non-financial assets	22,629	22,646
Deferred tax assets	17,306	16,436
Total non-current assets	**2,582,083**	**2,642,539**
Current assets		
Inventories	22,834	18,259
Trade receivables	179,278	166,863
Other financial assets	9,546	8,398
Other non-financial assets	29,814	30,218
Income tax assets	7,715	13,459
Cash and cash equivalents	90,143	103,696
Total current assets	**339,330**	**340,892**
Assets held for sale	0	14,957
Total assets	**2,921,413**	**2,998,388**

Equity and liabilities (in EUR k)	30 Jun 2019	31 Dec 2018[1)]
Equity		
Subscribed capital	56,527	56,172
Capital reserves	741,048	735,541
Retained earnings	-198,544	-122,511
Accumulated other comprehensive income	-6,461	-6,997
	592,570	**662,205**
Non-controlling interests	12,540	6,311
Total equity	**605,109**	**668,516**
Non-current liabilities		
Provisions for pensions and similar obligations	40,316	40,476
Other provisions	28,040	26,965
Financial liabilities	1,631,685	1,504,720
Trade payables	5,100	5,024
Deferred tax liabilities	61,699	70,432
Total non-current liabilities	**1,766,840**	**1,647,617**
Current liabilities		
Other provisions	41,373	50,434
Financial liabilities	166,735	247,347
Trade payables	226,366	256,762
Other liabilities	97,881	87,232
Income tax liabilities	17,109	31,147
Total current liabilities	**549,463**	**672,923**
Liabilities associated with assets held for sale	0	9,333
Total equity and liabilities	**2,921,413**	**2,998,388**

[1)] Restated retrospectively due to the purchase price allocations that were finalized after 31 December 2018.

CONSOLIDATED STATEMENT OF CASH FLOWS

In EUR k	6M 2019	6M 2018[1),2)]
Cash flows from operating activities		
Profit for the period	41,781	35,381
Expenses (+)/income (-) from the financial and tax result	23,818	21,662
Amortization, depreciation and impairment losses (+) on non-current assets	88,541	82,555
Depreciation (+) of right-of-use assets under leases (IFRS 16)	87,264	82,369
Share in profit or loss of equity method investees	-2,942	-1,937
Cash received from profit distributions of equity method investees	4,321	4,322
Interest paid (-) in connection with leases (IFRS 16)	-11,048	-11,034
Interest paid (-) in connection with other financial liabilities	-2,803	-2,845
Interest received (+)	25	6
Income taxes paid (-)/received (+)	-23,612	-41,476
Increase (+)/decrease (-) in provisions	-8,777	-9,042
Other non-cash expenses (+)/income (-)	-383	-679
Gain (-)/loss (+) on disposals of non-current assets	-644	-186
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-19,370	7,023
Increase (+)/decrease (-) in trade payables and other liabilities	-2,482	-13,094
Cash flows from operating activities (continuing operations)	**173,688**	**153,023**
Cash flows from operating activities (discontinued operations)	0	5,591
Cash flows from operating activities	**173,688**	**158,614**
Cash flows from investing activities		
Cash received (+) from the disposal of intangible assets and property, plant and equipment	1,834	1,316
Cash paid (-) for investments in intangible assets and property, plant and equipment	-48,797	-61,297
Cash paid (-) for investments in equity method investees	-82	0
Cash received (+) from/paid (-) for the disposal of consolidated entities	909	0
Cash received (+) from/paid (-) for the acquisition of consolidated entities	-11,154	-59,190
Cash flows from investing activities (continuing operations)	**-57,290**	**-119,171**
Cash flows from investing activities (discontinued operations)	0	-4,040
Cash flows from investing activities	**-57,290**	**-123,211**
Cash flows from financing activities		
Cash received (+) from equity contributions	4,611	2,456
Dividend distributions (-)	-119,785	-73,381
Cash paid (-) for the acquisition of shares not involving a change in control	-65,765	-7,440
Cash received (+) from borrowings	159,687	178,362
Cash repayments (-) of borrowings	-19,703	-13,011
Cash payments (-) for the principal portion of lease liabilities (IFRS 16)	-88,997	-89,949
Cash flows from financing activities (continuing operations)	**-129,951**	**-2,962**
Cash flows from financing activities (discontinued operations)	0	-2,263
Cash flows from financing activities	**-129,951**	**-5,225**
Cash at the end of the period		
Change in cash (continuing operations)	-13,553	30,889
Change in cash (discontinued operations)	0	-712
Cash at the beginning of the period	103,696	84,983
Cash at the end of the period	**90,143**	**115,161**

Composition of cash		
Cash (continuing operations)	90,143	115,086
Cash (discontinued operations)	0	76
Cash at the end of the period	**90,143**	**115,161**

[1] Restated retrospectively due to the purchase price allocations that were finalized after 30 June 2018. See our disclosures on the retrospective restatement of purchase price allocations in note 6 of the notes section of our 2018 annual report.

[2] Restated retrospectively due to the sale of the Turkish OOH business, which is a discontinued operation within the meaning of IFRS 5. See our disclosures on the sale of the Turkish OOH business in note 6 of the notes section of our 2018 annual report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Accumulated other comprehensive income: Exchange differences on translating foreign operations	Total	Non-controlling interests	Total equity
1 Jan 2018	**55,558**	**728,384**	**-41,094**	**-86,889**	**655,959**	**15,486**	**671,446**
Consolidated profit or loss for the period	0	0	29,007	0	29,007	2,903	31,910
Other comprehensive income	0	0	0	-7,187	-7,187	-297	-7,484
Total comprehensive income	0	0	29,007	-7,187	21,820	2,606	24,426
Changes in basis of consolidation	0	0	0	0	0	0	0
Share-based payments	390	4,817	0	0	5,207	0	5,207
Effects from changes in ownership interests in subsidiaries without loss of control	0	0	-4,792	0	-4,792	-572	-5,364
Obligation to purchase own equity instruments	0	0	11,529	0	11,529	4,724	16,253
Dividends	0	0	-72,546	0	-72,546	-836	-73,382
30 Jun 2018[1)]	**55,948**	**733,201**	**-77,896**	**-94,076**	**617,176**	**21,409**	**638,585**

In EUR k	Subscribed capital	Capital reserves	Retained earnings	Exchange differences on translating foreign operations	Total	Non-controlling interests	Total equity
1 Jan 2019 [2)]	**56,172**	**735,541**	**-122,511**	**-6,997**	**662,205**	**6,311**	**668,516**
Consolidated profit or loss for the period	0	0	35,528	0	35,528	6,253	41,781
Other comprehensive income	0	0	0	537	537	187	724
Total comprehensive income	0	0	35,528	537	36,064	6,440	42,504
Changes in basis of consolidation	0	0	0	0	0	686	686
Share-based payments	355	5,506	0	0	5,861	0	5,861
Effects from changes in ownership interests in subsidiaries without loss of control	0	0	-52,655	0	-52,655	-4,544	-57,198
Obligation to purchase own equity instruments	0	0	54,148	0	54,148	4,669	58,817
Dividends	0	0	-113,053	0	-113,053	-1,022	-114,075
30 Jun 2019	**56,527**	**741,048**	**-198,544**	**-6,461**	**592,570**	**12,540**	**605,109**

[1)] Restated retrospectively due to the purchase price allocations that were finalized after 30 June 2018.

[2)] Restated retrospectively due to the purchase price allocations that were finalized after 31 December 2018.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

General

1 Information on the Company and Group

Ströer SE & Co. KGaA is a listed corporation. The Company has its registered office at Ströer-Allee 1, 50999 Cologne. It is entered in the Cologne commercial register under HRB no. 86922.

The purpose of Ströer SE & Co. KGaA and the entities (the Ströer Group or the Group) included in the condensed consolidated interim financial statements (the consolidated interim financial statements) is the provision of services in the areas of media, advertising, commercialization and communication, in particular, but not limited to, the commercialization of out-of-home media and online advertising. The Group markets all forms of out-of-home media, from traditional large formats and transport media through to digital media.

See the relevant explanations in the consolidated financial statements as of 31 December 2018 for a detailed description of the Group's structure and its operating segments.

2 Basis of preparation of the financial statements

The consolidated interim financial statements for the period from 1 January to 30 June 2019 were prepared in accordance with the requirements of IAS 34, "Interim Financial Reporting." The consolidated interim financial statements must be read in conjunction with the consolidated financial statements as of 31 December 2018.

The disclosures required by IAS 34 on changes to items in the consolidated statement of financial position, the consolidated income statement and the consolidated statement of cash flows are made in the interim group management report.

Due to rounding differences, figures in tables may differ slightly from the actual figures.

The consolidated interim financial statements and interim group management report were not the subject of a review.

3 Accounting policies

New accounting standards

The figures disclosed in these consolidated interim financial statements were determined in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. The accounting policies applied in the consolidated financial statements as of 31 December 2018 were also applied in these consolidated interim financial statements except for the following accounting changes:

Since 1 January 2019, the following standards adopted by the IASB or amended by the IFRIC and endorsed by the EU have been used for the first time to prepare the consolidated interim financial statements:

- Amendments to IAS 19	- Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28	- Long-term Interests in Associates and Joint Ventures
- IFRIC 23	- Accounting for uncertainties in income taxes

First-time application of these standards did not have any significant effects on the assets, liabilities, financial position and financial performance of the Group.

Purchase price allocations

The comparative figures for the first half of 2018 had to be adjusted in the income statement to account for the final figures of the purchase price allocations that were finalized after 30 June 2018: Neo Advertising GmbH, MediaSelect Media-Agentur GmbH, PosterSelect Media-Agentur für Aussenwerbung GmbH, Plakativ Media GmbH, UAM Media Group, C2E Group, Lunenburg & Partner Media-Service GmbH, P.O.S. MEDIA GmbH Gesellschaft für Aussenwerbung und Plakatservice and ReachLocal GmbH. The comparative figures in the statement of financial position were restated retrospectively due to purchase price allocations that were finalized after 31 December 2018: C2E Group, Lunenburg & Partner Media-Service GmbH, P.O.S. MEDIA GmbH Gesellschaft für Aussenwerbung und Plakatservice, ReachLocal GmbH, optimise-it GmbH, FA Business Solutions GmbH, SuperM&N UG and BIG Poster GmbH.

The corresponding adjustments in the income statement are presented in the following reconciliation:

Income statement	**Adjusted**	**Purchase price allocation**	**Reclassification pursuant to IFRS 5**	**According to 6M/Q2 2018 report**
In EUR k	**6M 2018**			**6M 2018**
Revenue	725,859		-15,627	741,486
Cost of sales	-481,237	-1,760	13,050	-492,528
Gross profit	**244,622**	**-1,760**	**-2,576**	**248,958**
Selling expenses	-111,814		1,585	-113,399
Administrative expenses	-87,997	27	1,494	-89,518
Other operating income	16,834	71	-236	16,999
Other operating expenses	-6,539		475	-7,014
Share in profit or loss of equity method investees	1,937			1,937
Finance income	994		340	654
Finance costs	-16,777		2,020	-18,797
Profit or loss before taxes	**41,260**	**-1,662**	**3,102**	**39,819**
Income taxes	-5,879	109	370	-6,358
Post-tax profit or loss from continuing operations	**35,381**	**-1,552**	**3,471**	**33,461**
Discontinued operations				
Post-tax profit or loss from discontinued operations	-3,471		-3,471	0
Consolidated profit or loss for the period	**31,910**	**-1,552**	**0**	**33,461**
Thereof attributable to:				
Owners of the parent	29,007	-1,433		30,439
Non-controlling interests	2,903	-119		3,022
	31,910	**-1,552**	**0**	**33,461**

The following overview provides a reconciliation of the original published statement of financial position as of 31 December 2018 to the comparative figures as of 31 December 2018 contained in the current half-year financial statements for 2019 following the purchase price allocations:

Assets (in EUR k)	Adjusted	Purchase price allocation	According to 2018 annual report
	31 Dec 2018		31 Dec 2018
Non-current assets			
Intangible assets	1,261,676	2,000	1,259,676
Property, plant and equipment	1,299,214		1,299,214
Investments in equity method investees	24,219		24,219
Financial assets	2,822		2,822
Trade receivables	504		504
Other financial assets	15,023		15,023
Other non-financial assets	22,646		22,646
Deferred tax assets	16,436		16,436
Total non-current assets	**2,642,539**	**2,000**	**2,640,540**
Current assets			
Inventories	18,259		18,259
Trade receivables	166,863		166,863
Other financial assets	8,398	92	8,306
Other non-financial assets	30,218		30,218
Income tax assets	13,459		13,459
Cash and cash equivalents	103,696		103,696
Total current assets	**340,892**	**92**	**340,800**
Assets held for sale	14,957		14,957
Total assets	**2,998,388**	**2,092**	**2,996,296**

Equity and liabilities (in EUR k)	Adjusted	Purchase price allocation	According to 2018 annual report
	31 Dec 2018		31 Dec 2018
Equity			
Subscribed capital	56,172		56,172
Capital reserves	735,541		735,541
Retained earnings	-122,511	-860	-121,652
Accumulated other comprehensive income	-6,997		-6,997
	662,205	**-860**	**663,065**
Non-controlling interests	6,311	415	5,896
Total equity	**668,516**	**-444**	**668,960**
Non-current liabilities			
Provisions for pensions and other obligations	40,476		40,476
Other provisions	26,965		26,965
Financial liabilities	1,504,720		1,504,720
Trade payables	5,024		5,024
Deferred tax liabilities	70,432	2,537	67,895
Total non-current liabilities	**1,647,617**	**2,537**	**1,645,080**
Current liabilities			
Other provisions	50,434		50,434
Financial liabilities	247,347		247,347
Trade payables	256,762		256,762
Other liabilities	87,232		87,232
Income tax liabilities	31,147		31,147
Total current liabilities	**672,923**		**672,923**
Liabilities associated with assets held for sale	9,333		9,333
Total equity and liabilities	**2,998,388**	**2,092**	**2,996,296**

4 Accounting estimates

Preparation of the consolidated interim financial statements in compliance with IFRSs requires management to make assumptions and estimates which have an impact on the figures disclosed in the consolidated financial statements and consolidated interim financial statements. The estimates are based on historical data and other information on the transactions concerned. Actual results may differ from such estimates. The accounting estimates and assumptions applied in the consolidated financial statements as of 31 December 2018 were also used to determine the estimated values presented in these consolidated interim financial statements.

5 Related party disclosures

See the consolidated financial statements as of 31 December 2018 for information on related party disclosures. There were no significant changes as of 30 June 2019.

6 Segment information

The Ströer Group bundles its business into three segments which operate independently on the market in close cooperation with the group holding company Ströer SE & Co. KGaA. These are the segments Out-of-Home Media, Digital OOH & Content and Direct Media.

The Ströer Group allocates its revenue to a total of nine product groups on the basis of the products and services it provides. In addition to the four traditional product groups in the OOH business, three new product groups were defined from fiscal year 2018 in the Digital OOH & Content segment (display, video, digital marketing services) and two new product groups in the Direct Media segment (dialog marketing, transactional).

The following table shows the reconciliation of the segment performance indicator to the figures included in the consolidated financial statements:

In EUR k	Q2 2019	Q2 2018
EBITDA (adjusted) - total segment results	**143,021**	**133,653**
Reconciliation items	-4,538	-4,388
EBITDA (adjusted) - Group	**138,483**	**129,265**
Adjustment effects (exceptional items)	-6,308	-6,190
EBITDA	**132,174**	**123,075**
Depreciation (right-of-use assets under leases (IFRS 16))	-45,202	-42,505
Amortization and depreciation (other non-current assets)	-45,522	-42,311
Impairment (including goodwill impairment)	-693	-2,421
Financial result	-7,203	-8,105
Profit or loss before taxes	**33,553**	**27,733**

In EUR k	6M 2019	6M 2018
EBITDA (adjusted) - total segment results	**264,434**	**245,222**
Reconciliation items	-8,437	-8,311
EBITDA (adjusted) - Group	**255,997**	**236,910**
Adjustment effects (exceptional items)	-14,593	-14,943
EBITDA	**241,404**	**221,967**
Depreciation (right-of-use assets under leases (IFRS 16))	-87,264	-82,369
Amortization and depreciation (other non-current assets)	-87,284	-80,134
Impairment (including goodwill impairment)	-1,257	-2,421
Financial result	-14,901	-15,783
Profit or loss before taxes	**50,698**	**41,260**

REPORTING BY OPERATING SEGMENT

In EUR k	OOH Media	Digital OOH & Content	Direct Media	Reconciliation	Group value
Q2 2019					
External revenue	173,761	137,667	102,007	0	413,435
Internal revenue	7,028	3,267	5	-10,300	0
Segment revenue	180,789	140,934	102,013	-10,300	413,435
EBITDA (adjusted)	83,921	48,379	10,722	-4,539	138,483
Q2 2018					
External revenue	162,415	137,464	96,853	0	396,733
Internal revenue	1,992	2,016	0	-4,008	0
Segment revenue	164,407	139,480	96,853	-4,008	396,733
EBITDA (adjusted)	76,658	41,992	15,003	-4,388	129,265

In EUR k	OOH Media	Digital OOH & Content	Direct Media	Reconciliation	Group value
6M 2019					
External revenue	313,803	259,080	214,544	0	787,427
Internal revenue	9,991	6,873	8	-16,872	0
Segment revenue	323,794	265,953	214,552	-16,872	787,427
EBITDA (adjusted)	146,612	92,354	25,468	-8,437	255,997
6M 2018					
External revenue	293,332	259,216	173,311	0	725,859
Internal revenue	4,923	3,510	6	-8,440	0
Segment revenue	298,255	262,727	173,318	-8,440	725,859
EBITDA (adjusted)	138,268	77,212	29,741	-8,311	236,910

REPORTING BY PRODUCT GROUP

In EUR k	Large formats	Street furniture	Transport	Display	Video	Digital marketing services	Dialog marketing	Trans-actional	Other	Reconcili-ation	Group value
Q2 2019											
Segment revenue	95,167	37,922	15,835	66,318	37,898	36,718	76,717	25,296	31,864	-10,300	413,435
Q2 2018											
Segment revenue	85,505	36,154	15,558	73,009	30,109	36,362	69,281	27,572	27,191	-4,008	396,733

In EUR k	Large formats	Street furniture	Transport	Display	Video	Digital marketing services	Dialog marketing	Trans-actional	Other	Reconcili-ation	Group value
6M 2019											
Segment Revenue	159,289	71,444	30,892	132,331	63,874	69,748	158,006	56,546	62,169	-16,872	787,427
6M 2018											
Segment revenue	147,526	66,689	29,523	137,403	55,328	69,996	118,322	54,995	54,517	-8,440	725,859

7 Reconciliation: Organic growth

The following tables present the reconciliation to organic revenue growth. For the first half of 2019, the increase in revenue (without foreign exchange effects) amounts to EUR 53.3m. In relation to adjusted revenue of EUR 735.0m for the prior year, this results in an organic revenue growth rate of 7.3%.

In EUR k	Q2 2019	Q2 2018
Revenue Q2 prior year (reported)	**396,733**	**298,908**
Disposals	-16,827	-13,001
Acquisitions	5,961	80,933
Revenue Q2 prior year (adjusted)	**385,866**	**366,840**
Foreign currency effects	-464	-2,054
Organic revenue growth	28,033	31,947
Revenue Q2 current year (reported)	**413,435**	**396,733**

In EUR k	6M 2019	6M 2018
Revenue 6M prior year (reported)	**725,859**	**566,778**
Disposals	-24,819	-28,596
Acquisitions	33,947	137,214
Revenue 6M prior year (adjusted)	**734,987**	**675,396**
Foreign currency effects	-858	-3,286
Organic revenue growth	53,298	53,749
Revenue 6M current year (reported)	**787,427**	**725,859**

8 Reconciliation of the consolidated income statement to the management figures

Q2 2019 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification of exceptional items	Income statement for management accounting purposes	Amortization, depreciation and impairment arising from purchase price allocations	Exchange rate effects from intragroup loans	Tax normalization	Adjustment of exceptional items and impairment losses	Adjusted income statement for Q2 2019	Adjusted income statement for Q2 2018
Revenue	**413.4**			**413.4**					**413.4**	**396.7**
Cost of sales	-269.6	80.1	0.1	-189.4					-189.4	-187.7
Selling expenses	-58.8									
Administrative expenses	-48.7									
Total selling and administrative expenses	-107.6	11.3	7.8	-88.5					-88.5	-84.8
Other operating income	8.2									
Other operating expenses	-5.8									
Total other operating income and other operating expenses	2.4		-1.5	0.9					0.9	3.9
Share in profit or loss of equity method investees	2.1			2.1					2.1	1.1
EBITDA (adjusted)				**138.5**					**138.5**	**129.3**
Amortization, depreciation and impairment losses		-91.4		-91.4	18.8			0.7	-71.9	-65.9
EBIT (adjusted)				**47.1**	**18.8**			**0.7**	**66.6**	**63.4**
Exceptional items			-6.3	-6.3				6.3	0.0	0.0
Financial result	-7.2			-7.2		-0.3		0.0	-7.5	-7.8
Income taxes	-5.7			-5.7			-3.6		-9.3	-8.8
Consolidated profit or loss from continuing operations	**27.9**	**0.0**	**0.0**	**27.9**	**18.8**	**-0.3**	**-3.6**	**7.0**	**49.7**	**46.7**

6M 2019 In EUR m	Income statement in accordance with IFRSs	Reclassification of amortization, depreciation and impairment losses	Reclassification of exceptional items	Income statement for management accounting purposes	Amortization, depreciation and impairment arising from purchase price allocations	Exchange rate effects from intragroup loans	Tax normalization	Adjustment of exceptional items and impairment losses	Adjusted income statement for 6M 2019	Adjusted income statement for 6M 2018
Revenue	**787.4**			**787.4**					**787.4**	**725.9**
Cost of sales	-518.7	152.5	0.1	-366.1					-366.1	-339.1
Selling expenses	-116.7									
Administrative expenses	-97.6									
Total selling and administrative expenses	-214.3	23.3	13.6	-177.3					-177.3	-164.6
Other operating income	20.2									
Other operating expenses	-12.0									
Total other operating income and other operating expenses	8.2		0.8	9.1					9.1	12.8
Share in profit or loss of equity method investees	2.9			2.9					2.9	1.9
EBITDA (adjusted)				**256.0**					**256.0**	**236.9**
Amortization, depreciation and impairment losses		-175.8		-175.8	33.4			1.3	-141.2	-128.2
EBIT (adjusted)				**80.2**	**33.4**			**1.3**	**114.8**	**108.7**
Exceptional items			-14.6	-14.6				14.6	0.0	0.0
Financial result	-14.9			-14.9		-0.1		0.0	-15.0	-15.4
Income taxes	-8.9			-8.9			-6.9		-15.8	-14.8
Consolidated profit or loss from continuing operations	**41.8**	**0.0**	**0.0**	**41.8**	**33.4**	**-0.1**	**-6.9**	**15.8**	**84.0**	**78.5**

Selected notes to the consolidated income statement, the consolidated statement of financial position, the consolidated statement of cash flows and other notes

9 Seasonality

The Group's revenue and earnings are seasonal in nature. Revenue and earnings are generally lower in the first and third quarters compared to the second and fourth quarters.

10 Disclosures on business combinations

Transactions involving a change in control

Media-Direktservice GmbH

With effect as of 20 May 2019, Ströer acquired the remaining 74.9% of the shares in Media-Direktservice GmbH, Cologne. The entity's purpose is the sale of out-of-home and online advertising, including the provision of websites and directory entries. The provisional purchase price for the shares, including the redemption of financial liabilities, comes to EUR 7.9m. At the acquisition date, the earn-out liability was measured at EUR 3.2m.

In the first half of 2019, the acquisition gave rise to transaction costs of EUR 28k, which were reported under administrative expenses.

The following table shows the consolidated provisional fair values of the assets acquired and liabilities assumed from Media-Direktservice GmbH at the acquisition date:

In EUR k	
Property, plant and equipment	396
Deferred tax assets	1,003
Trade receivables	2,827
Other non-financial assets	17
Cash	893
Other provisions	29
Financial liabilities	4,342
Trade payables	65
Other liabilities	89
Net assets acquired	611

The carrying amounts of the acquired receivables and non-financial assets are equivalent to their respective fair values. The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables.

The purchase price allocation is still provisional in relation to the identification and measurement of the fair value of the assets acquired and liabilities assumed. Hence, the fair values of the assets acquired and liabilities assumed as well as goodwill may be adjusted. The measurement of the earn-out liability is also provisional due to the scope and complexity of the business processes.

The provisional goodwill of the entity is allocated to the OOH Media segment. It was calculated using the purchased goodwill method as follows:

In EUR k	
Provisional purchase price including the redemption of shareholder loans	7,861
Contractually agreed contingent purchase price payments in subsequent periods	3,150
Acquisition-date fair value of the previously held equity interest	2,233
Net assets acquired	611
Goodwill	12,633

The remeasurement of the previously held equity interest to its fair value as of the acquisition date within the context of a business combination achieved in stages led to income of EUR 2,233k, which was recognized in other operating income.

Since control was obtained, the entity has generated the following intra-group revenue and profit or loss after taxes:

In EUR k	Revenue	Profit or loss after taxes
20 May to 30 Jun 2019	296	114

Transactions not involving a change in control

In the first six months of fiscal year 2019, the Ströer Group also acquired the remaining shares in Statista GmbH (+18.7%) and Permodo GmbH (+24.0%).

These acquisitions were presented as transactions between shareholders in accordance with IFRS 10. The transactions mainly affected the consolidated retained earnings of the owners of Ströer SE & Co. KGaA.

11 Financial instruments

The table below presents the recurring financial assets and liabilities measured and reported at fair value as of 30 June 2019 and 31 December 2018:

			Carrying amount pursuant to IFRS 9			
In EUR k	Measurement category pursuant to IFRS 9	**Carrying amount as of 30 Jun 2019**	Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	**Fair value as of 30 Jun 2019**
Assets						
Cash	AC	90,143	90,143			90,143
Trade receivables	AC	180,637	180,637			180,637
Other non-current financial assets	AC	11,815	11,815			11,815
Other current financial assets	AC	9,546	9,546			9,546
Assets recognized at fair value through other comprehensive income	FVTOCI	2,898		2,898 [1]		n.a.
Equity and liabilities						
Trade payables	AC	231,466	231,466			231,466
Non-current financial liabilities [3]	AC	1,625,524	1,620,192		5,331 [2]	1,625,524
Current financial liabilities [3]	AC	156,296	151,845		4,451 [2]	156,296
Obligation to purchase own equity instruments	AC	16,601		16,601		16,601
Thereof aggregated by measurement category pursuant to IFRS 9:						
Assets at amortized cost	AC	292,141	292,141			292,141
Assets recognized at fair value through other comprehensive income	FVTOCI	2,898		2,898		n.a.
Financial liabilities measured at amortized cost	AC	2,029,886	2,003,503	16,601	9,782	2,029,886

In EUR k	Measurement category pursuant to IFRS 9	**Carrying amount as of 31 Dec 2018**	Amortized cost	Fair value recognized directly in equity	Fair value through profit or loss	**Fair value as of 31 Dec 2018**
Assets						
Cash	AC	103,696	103,696			103,696
Trade receivables	AC	167,367	167,367			167,367
Other non-current financial assets	AC	15,023	15,023			15,023
Other current financial assets	AC	8,398	8,398			8,398
Assets recognized at fair value through other comprehensive income	FVTOCI	2,822		2,822 [1]		n.a.
Equity and liabilities						
Trade payables	AC	261,786	261,786			261,786
Non-current financial liabilities [3]	AC	1,491,126	1,485,390		5,736 [2]	1,491,126
Current financial liabilities [3]	AC	185,523	178,105		7,418 [2]	185,523
Obligation to purchase own equity instruments	AC	75,418		75,418		75,418
Thereof aggregated by measurement category pursuant to IFRS 9:						
Assets at amortized cost	AC	294,484	294,484			294,484
Assets recognized at fair value through other comprehensive income	FVTOCI	2,822		2,822		n.a.
Financial liabilities measured at amortized cost	AC	2,013,853	1,925,281	75,418	13,154	2,013,853

[1] Other equity investments (Level 3)
[2] Earn-out liabilities (Level 3)
[3] Excluding the obligation to purchase own equity instruments

Due to the short terms of cash and cash equivalents, trade receivables, trade payables, other financial assets and current financial liabilities, it is assumed that the fair values correspond to the carrying amounts.

The fair values of the liabilities to banks included in non-current financial liabilities are calculated as the present values of the estimated future cash flows taking into account Ströer's own credit risk (Level 2 fair values). Market interest rates for the relevant maturity date are used for discounting. It is therefore assumed as of the reporting date that the carrying amount of the non-current financial liabilities is equal to the fair value.

The fair value hierarchy levels and their application to the Group's assets and liabilities are described below.

Level 1: Listed market prices are available in active markets for identical assets or liabilities. The listed market price for the financial assets held by the Group is equivalent to the current bid price. These instruments are assigned to Level 1.

Level 2: Quoted or market prices for similar financial instruments on an active market or for identical or similar financial instruments on a market that is not active or inputs other than quoted prices that are based on observable market data. The instrument is assigned to Level 2 if all significant inputs required to determine the fair value of an instrument are observable in the market.

Level 3: Valuation techniques that use inputs which are not based on observable market data. Instruments assigned to Level 3 include in particular unquoted equity instruments.

Changes in the assessment of the level to be used for measuring the assets and liabilities are made at the time any new facts are established. At present, derivative financial instruments are measured at fair value in the consolidated financial statements and are all classified as Level 2. Additionally, there are contingent purchase price liabilities from acquisitions as well as put options for shares in various group entities that are each classified as Level 3. There were no significant changes compared with the valuation techniques applied as of 31 December 2018.

12 Subsequent events

There were no significant events after the reporting date.

Cologne, 8 August 2019

Udo Müller
Co-CEO

Christian Schmalzl
Co-CEO

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Cologne, 8 August 2019

Ströer SE & Co. KGaA represented by:
Ströer Management SE
(general partner)

Udo Müller
Co-CEO

Christian Schmalzl
Co-CEO

FINANCIAL CALENDAR

13 November 2019	**Quarterly statement 9M/Q3 2019**

IMPRINT

IR CONTACT

Ströer SE & Co. KGaA
Christoph Löhrke
Head of Investor & Credit Relations
Ströer-Allee 1 . 50999 Cologne
Phone +49 (0)2236 . 96 45-356
Fax +49 (0)2236 . 96 45-6356
ir@stroeer.de / cloehrke@stroeer.de

PRESS CONTACT

Ströer SE & Co. KGaA
Marc Sausen
Director Corporate Communications
Ströer-Allee 1 . 50999 Cologne
Phone +49 (0)2236 . 96 45-246
Fax +49 (0)2236 . 96 45-6246
presse@stroeer.de / msausen@stroeer.de

Publisher

Ströer SE & Co. KGaA
Ströer-Allee 1 . 50999 Cologne
Phone +49 (0)2236 . 96 45-0
Fax +49 (0)2236 . 96 45-299
info@stroeer.de

Cologne Local Court
HRB no. 86922
VAT identification no.: DE811763883

This half-year financial report was published on 8 August 2019 and is available in German and English. In the event of inconsistencies, the German version shall prevail.

DISCLAIMER

This half-year financial report contains forward-looking statements which entail risks and uncertainties. The actual business development and results of Ströer SE & Co. KGaA and of the Group may differ significantly from the assumptions made in this half-year financial report. This half-year financial report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer SE & Co. KGaA. There is no obligation to update the statements made in this half-year financial report.

Publisher

Ströer SE & Co. KGaA
Ströer-Allee 1 . 50999 Cologne
+49 (0)2236 . 96 45-0 Phone
+49 (0)2236 . 96 45-299 Fax
info@stroeer.de