



**STRÖER**

# Q2 2020 – Through the Crisis

August 13<sup>th</sup>, 2020 | Ströer SE & Co. KGaA

# INDEX



**01**

**Strategic  
Reassurance**

**02**

**Business Update**

**03**

**Financial Status**

**04**

**Sustainability  
Report**

**05**

**Outlook**

# Results 6M 2019

## Continuing Operations

m€		6M 2020	6M 2019	▲
Revenues	Reported	632.4	743.5	-15%
	Organic <sup>(1)</sup>	-14.3%	7.6%	-21.9%pts
EBITDA (adjusted)		185.5	255.8	-27%
EBIT (adjusted)		39.4	116.8	-66%
Net income (adjusted) <sup>(2)</sup>		22.1	86.0	-74%
Operating cash flow		153.2	176.1	-13%
Capex		63.8	46.8	+36%

Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

<sup>(1)</sup>Excluding exchange rate effects and effects from (de)consolidation and discontinuation of operations

<sup>(2)</sup>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

# Recap from May Message: Strong Position in recovering Environment One Market Focus | very resilient “PLUS” Businesses | Focus on Cash/Cost

Q2

Key Messages for Q2

Beyond Crisis



**Ströer operates in one of the most resilient economical Ecosystems:**  
Focus on one domestic Market allows better Control within Crisis Scenario

- Germany** with massive governmental support of 656.3 bn EUR\* (as a first step), relief of various tax payments for companies
- German government with historically low debt ratio of < 60% with massive potential to overcome the crisis
- German health system strongest in Europe with 28.000 intensive care beds (to be doubled soon), additional contributions for treatment units and patients in hospitals etc.
- Ströer with 12.000+ staff highly relevant employer, experiencing massive and fast cooperative support of all authorities

Focus on **one resilient country Germany** allows tight management & control of operations in crisis situation

**“PLUS” Businesses with low or even positive impact of current Crisis**  
Total Cash Generation of well over 100 m€ p.a.

- Teleshop**
  - Highly relevant to crisis (highly relevant to crisis and address, volume > 800 user)
  - High demand for new services (subscriptions, virtual, streaming, etc.)
  - Clear ability of other address towards new and construction (initial stage)
- STRÖER**
  - Increasing demand due to more Online access lines of customers
  - Strong in-commerce and there increasing role with of Ströer Digital Portfolio
  - Strong both ways in handling over-proportionate from current programme growth
- statista**
  - Increasing demand on short-term analysis, i.e. Corona data and analysis
  - Subscription-based offer due to high demand for real-time analysis
  - High flexibility to react on new demand
- MyKass**
  - Increasing demand in e-Commerce, Direct TV and direct delivery
  - Clear, increasing supply
  - Strong supply for customers
- STRÖER**
  - High service availability
  - Strong increase in demand for major clients (Tiers) due to increase of service requests
  - High flexibility allows short-term balancing of demand and supply

Robust OoH+ Model: strong cash generation from **digital and dialogue marketing “PLUS” businesses**

**Highly flexible Cost Base of OOH Business**  
Even Revenue Drop of 85% would still allow Cash neutral Operations

Ströer Group (semi-)flexible OOH cost structure

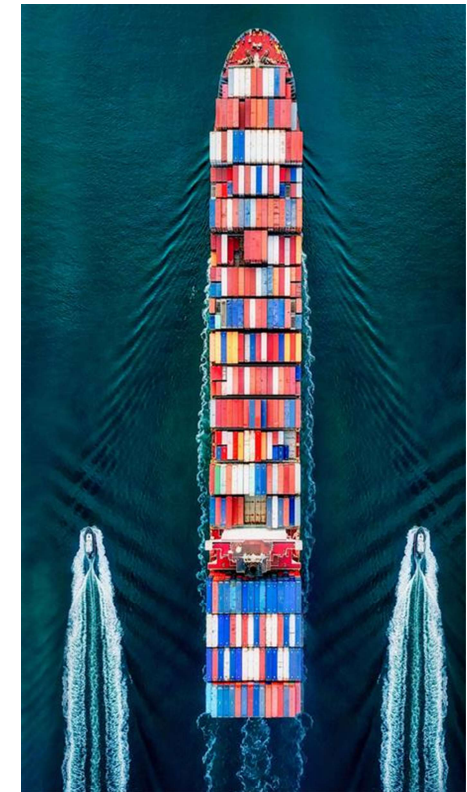
Category	Percentage
Real Estate	31%
Personnel	21%
Maintenance	20%
Other	28%

World-Class Click Question: 40% Revenue vs. 20% EBITDA

**Measures:**

- Short-term work in large parts of the Ströer OOH Group in line with instruments within crisis mode
- High share of sales commissions (revenue-based) with 50% EBITDA
- Maintenance costs (incl. servicing & printing) fully flexible and directly linked to the CTR
- Focus on relevant parts of infrastructure for ad market
- Consequent reduction of investments (CapEx)
- Control of growth, operations and special projects, as well as active management of building and fleet costs
- Over 50% of OOH advertising cost made with revenue-based mechanism, respective reduction of basic payments to the public sector in return for reduced public audiences as well as maintaining local jobs

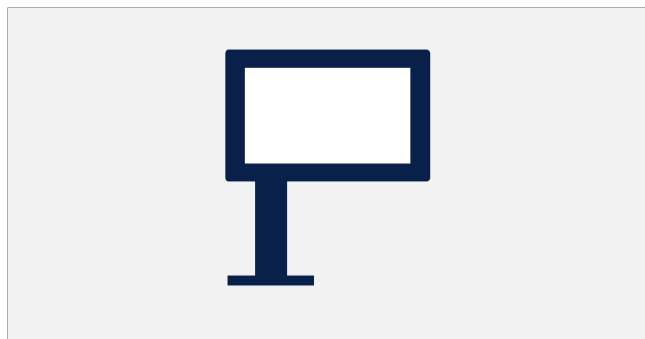
Active management of **flexible cost base** without compromising **long-term growth initiatives**



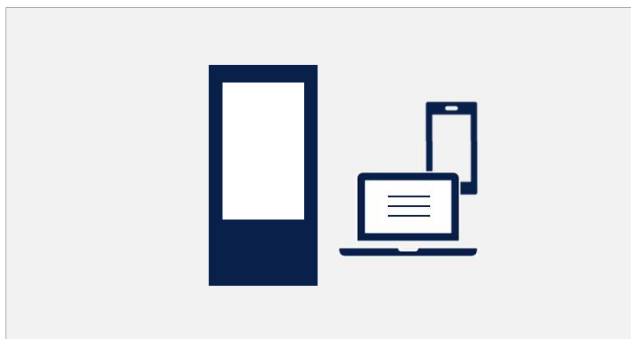
# Business Development in Q2 vs. Expectations (mid of May)

Total Group ~8 Points better than expected & beginning Recovery Momentum

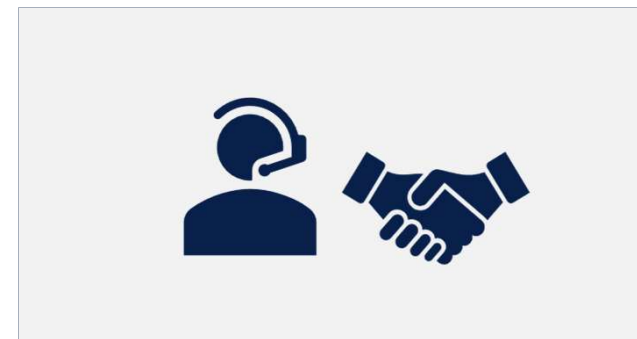
## OoH Media



## Digital OoH & Content



## Direct Media



IX vs. PY	Guidance	Results
Q2	~ 50	50

- Germany slightly better (Poland and Blowup at ~IX 40 vs. previous year)
- Local sales back at normal level since June
- Constant order book recovery week over week since mid of May (after 8 weeks "off")
- July & August already ~ IX 65-70 vs. PY

IX vs. PY	Guidance	Results
Q2	~ 70	78

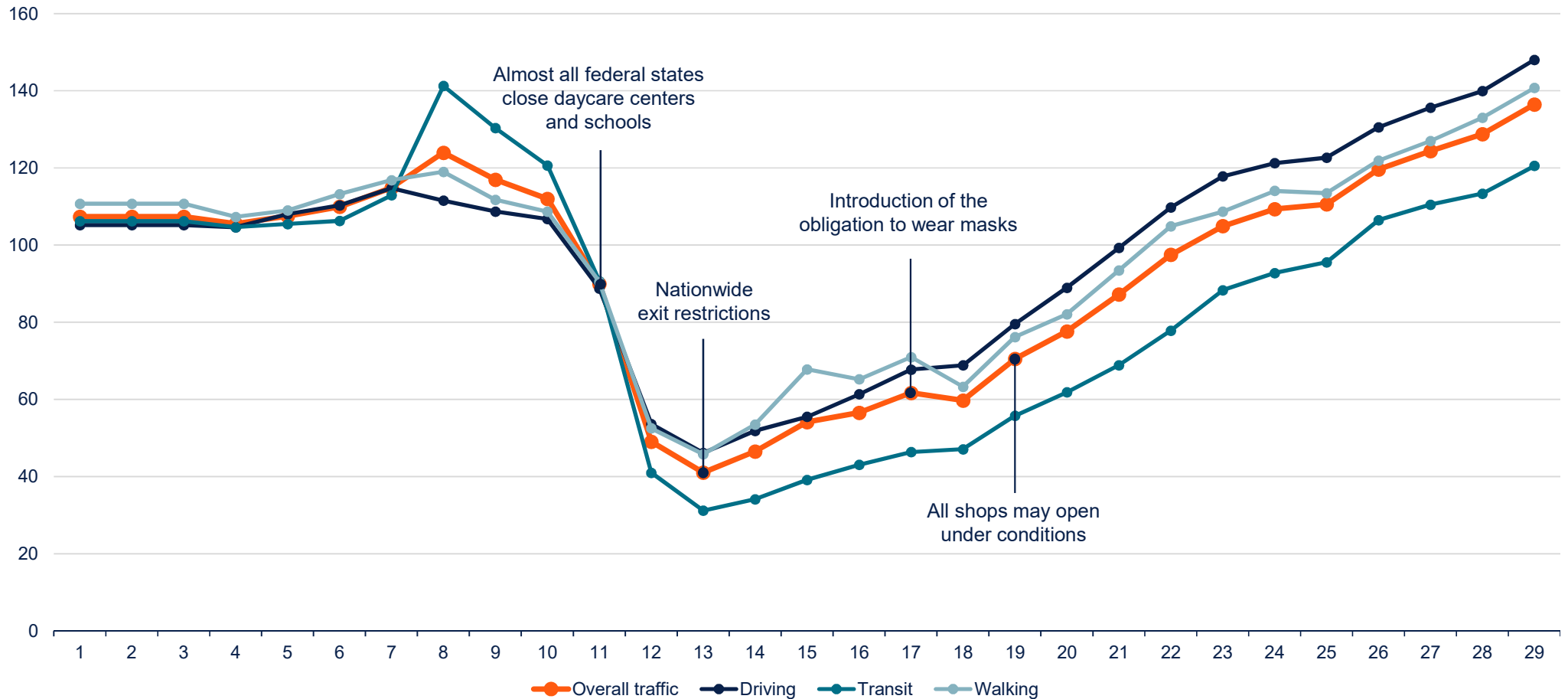
- Sale of TubeOne end of Q1
- Public Video (IX 40), Statista (IX 105) and Publishing (IX 105) better than expected
- 3<sup>rd</sup> party online sales more challenging ( <IX 90) but with strong programmatic business
- July & August overall at ~ IX 85-95 vs. PY

IX vs. PY	Guidance	Results
Q2	~ 75	88

- Sale of Ströer Products end of Q2
- Asam with >IX 120 beyond expectations
- Call Center with robust growth through the crises & D2D Business (9 weeks "off") with faster recovery already in June
- July & August already >IX 105 vs. PY

# German Mobility is strongly recovering already since May (1)

Roadside Traffic (Cars/Pedestrians) normalized; Public Transport getting there

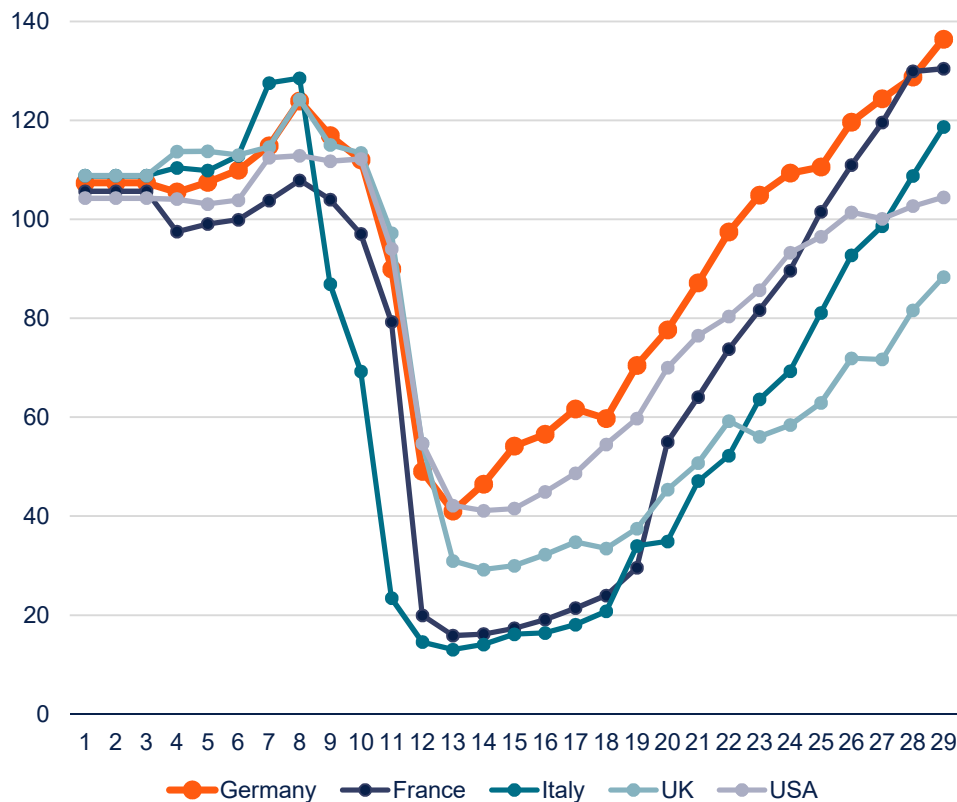


Source: Apple data (<https://www.apple.com/covid19/mobility>); Mobility Index (January 13 = Index 100)

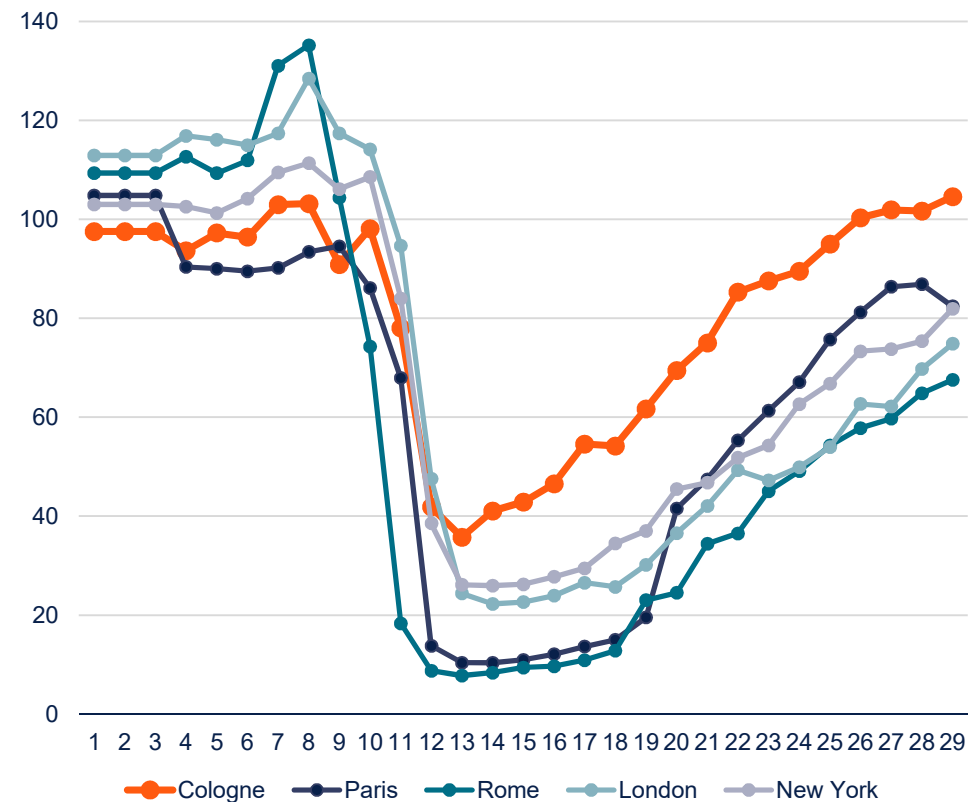
# German Mobility is strongly recovering already since May (2)

## Less dramatic Drop, faster Recovery, Benefits of federal Country Structure

Germany already close to pre-crisis level



Significantly faster recovery also at city level



Source: Apple data (<https://www.apple.com/covid19/mobility>); Mobility Index (January 13 = Index 100)

# INDEX

**01**

**Strategic  
Reassurance**

**02**

**Business Update**

**03**

**Financial Status**

**04**

**Sustainability  
Report**

**05**

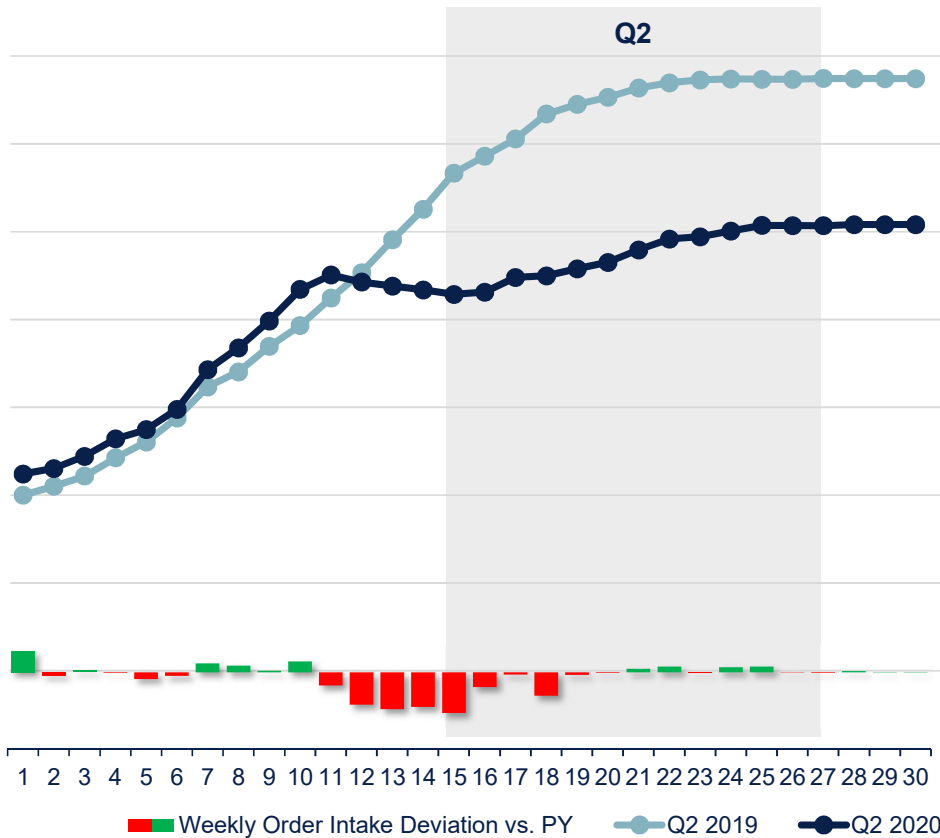
**Outlook**



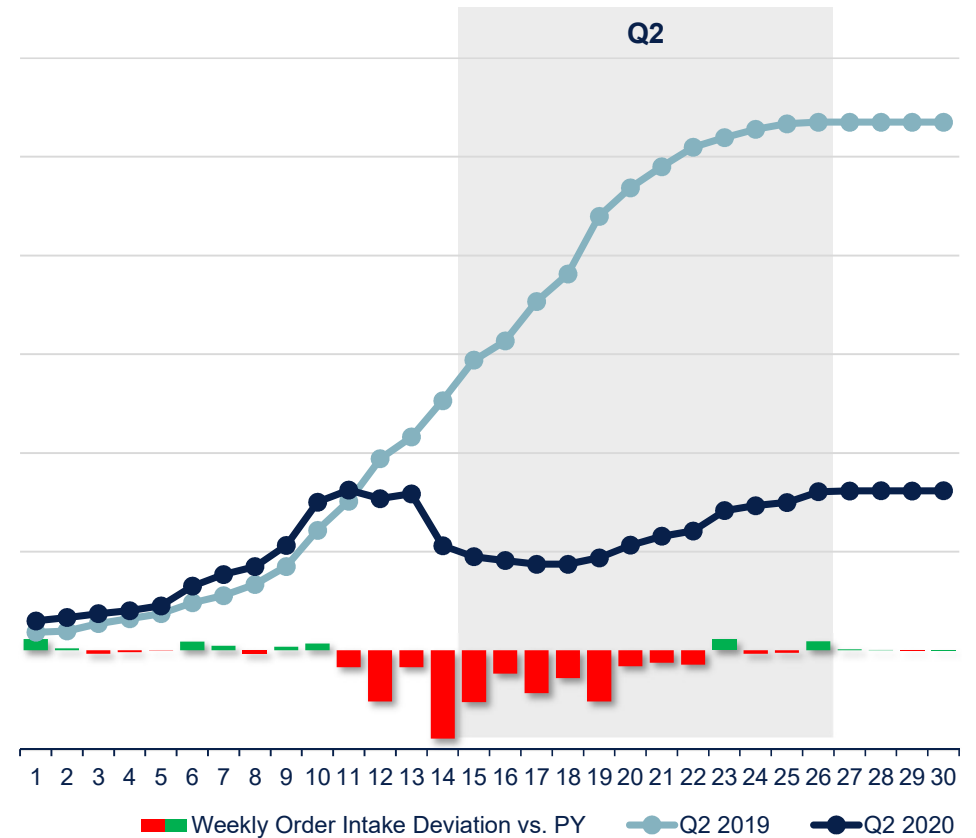
# Weekly Orderbook Development – Q2 2020 vs. Q2 2019

## Peak of Crisis Week 11-18 | Public Video more responsive

Classic OoH formats: Revenue inflow for Q2



Public Video: Revenue inflow for Q2

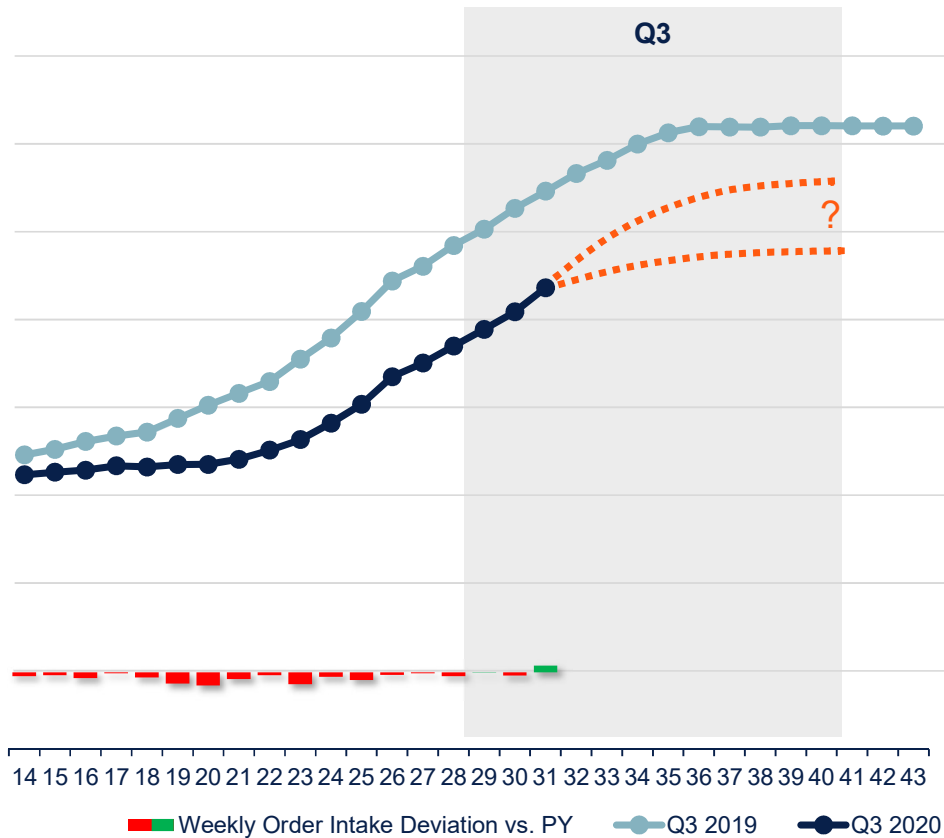


Source: Ströer data / Germany; Orderbook inflow for Q2 from week 1 to week 26; y-axis not at scale.

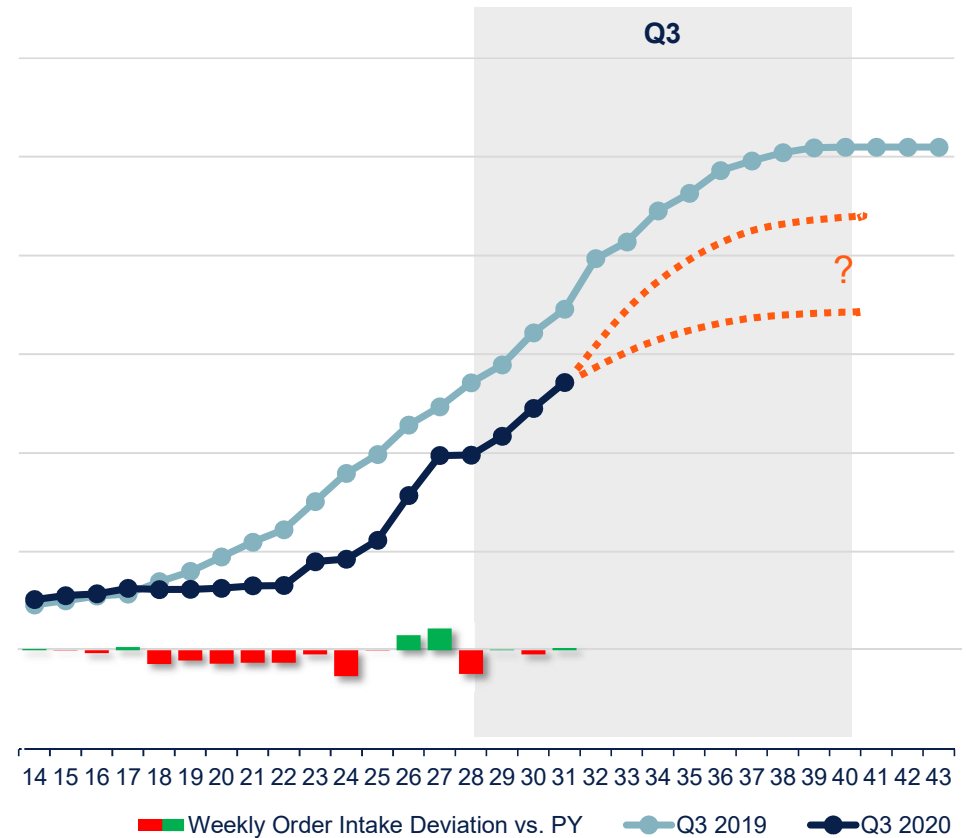
# Weekly Orderbook Development – Q3 2019 vs. Q3 2020

Stable Recovery since Week 24/25 | PV more responsive in both Directions

Classic OoH Formats: Revenue inflow for Q3



Public Video: Revenue inflow for Q3



Source: Ströer data / Germany; Orderbook inflow for Q3 from week 14 to week 40; y-axis not at scale.

# Marketing Initiatives (1): Keeping Momentum for Out of Home

## Amongst Clients, across Sales Teams, out on the Street

### OoH with strong momentum



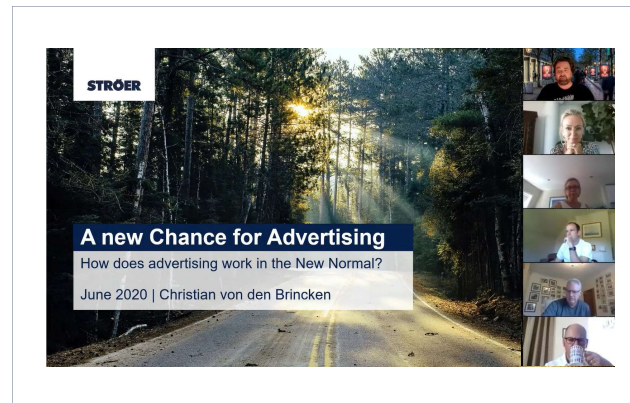
### Sales driven spirit



### Several charity campaigns

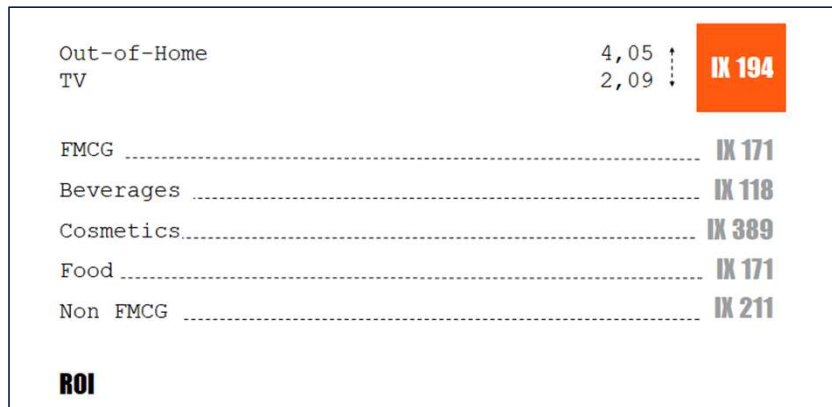
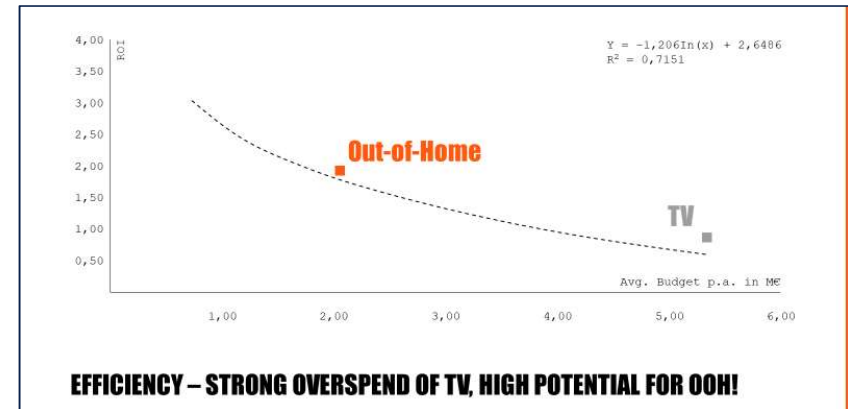
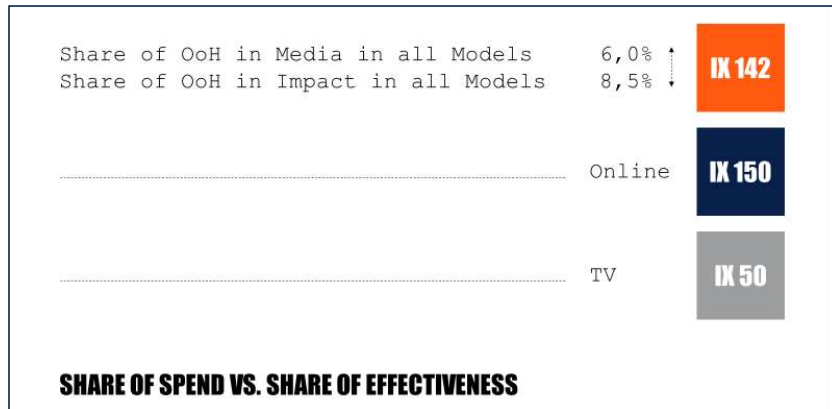


More than 40 video interviews with industry experts from all over the world:



# Marketing Initiatives (2) : Strong Proofs for OoH + Online Media

## Synopsis of 250 Marketing Mix Modellings with OoH Association and Omnicom



# Marketing Initiatives (3): Focus on Broad Range of OoH Solutions

## Adopting OoH Plans to Covid-driven smaller Changes of mass Mobility



# Globally unique OoH+ Strategy with One-Market-Focus

Recovery started & all long-term Growth Drivers fully intact after Q2!

From „red“ in Q2 to  
„yellow“ in Q3

Robust advertising  
market vs. economic  
deviations in Germany



Proprietary tech stack  
& strong programmatic  
and data capabilities



Potential for growth  
due to declining  
competitive markets



OoH market is  
consolidated, high  
market entry barriers



Scalable Salesforce  
to address the huge  
local SME market



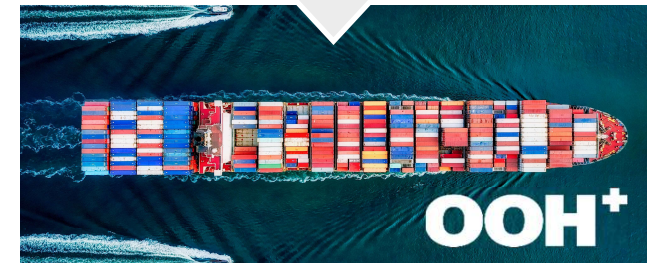
Proprietary long term  
portfolio for further  
digitization



Market share of  
market leader is  
above 50%



Strong share of wallet  
by embedding OoH  
with other services



# INDEX

**01**

**Strategic  
Reassurance**

**02**

**Business Update**

**03**

**Financial Status**

**04**

**Sustainability  
Report**

**05**

**Outlook**

# Profit and Loss Statement Q2 2020

## Continuing Operations

m€	Q2 2020	Q2 2019	▲ %
<b>Revenues</b>	264.1	392.7	-33%
<b>EBITDA (adjusted)</b>	<b>61.8</b>	<b>139.3</b>	<b>-56%</b>
Exceptional items	-10.6	-5.7	-84%
<b>EBITDA</b>	<b>51.3</b>	<b>133.5</b>	<b>-62%</b>
Depreciation & Amortization*	-93.7	-90.3	-4%
<b>EBIT</b>	<b>-42.5</b>	<b>43.2</b>	<b>n/a</b>
Financial result*	-8.4	-7.0	-20%
Tax result	+7.6	-5.6	n/a
<b>Net Income</b>	<b>-43.3</b>	<b>30.6</b>	<b>n/a</b>
Adjustments**	27.8	20.8	+33%
<b>Net Income (adjusted)</b>	<b>-15.5</b>	<b>51.4</b>	<b>n/a</b>

Note: Disposal of D+S 360° Group classified as discontinued operations

\*Thereof attributable to IFRS 16 in D&A 46.2m€ (PY: 44.3m€) and in financial result 3.7m€ (PY: 5.2m€)

\*\*Adjusted for exceptional items (+10.6m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +20.4m€), in financial result (+1.5m€) and in income taxes (-4.6m€)



# Free Cash Flow Perspective Q2 2020

## Continuing Operations

m€	Q2 2020	Q2 2019
<b>EBITDA (adjusted)</b>	<b>61.8</b>	<b>139.3</b>
- Exceptional items	-10.6	-5.7
<b>EBITDA</b>	<b>51.3</b>	<b>133.5</b>
- Interest	-6.4	-7.7
- Tax	-4.9	-12.4
-/+ WC	+31.2	-12.3
- Others	+6.5	-11.4
<b>Operating Cash Flow</b>	<b>77.7</b>	<b>89.7</b>
<b>Investments (before M&amp;A)</b>	<b>-29.9</b>	<b>-26.8</b>
<b>Free Cash Flow (before M&amp;A)</b>	<b>47.8</b>	<b>62.9</b>
Lease liability repayments (IFRS 16)**	-29.4	-38.8
<b>Free Cash Flow (adjusted)***</b>	<b>18.4</b>	<b>24.1</b>

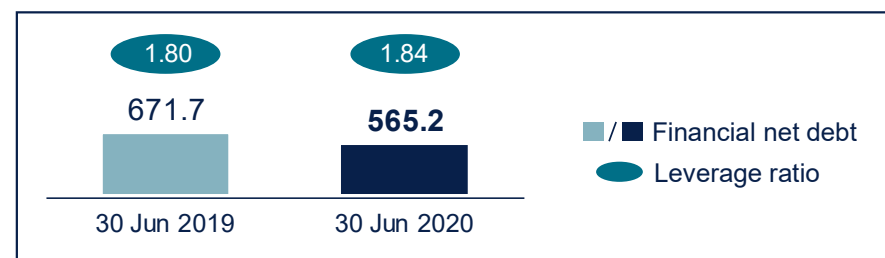
Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

\*Net debt and adj. EBITDA of last 12 month adjusted for IFRS 16; \*\*Part of cash flow from financing activities

\*\*\*Before M&A and incl. IFRS 16 lease liability repayments

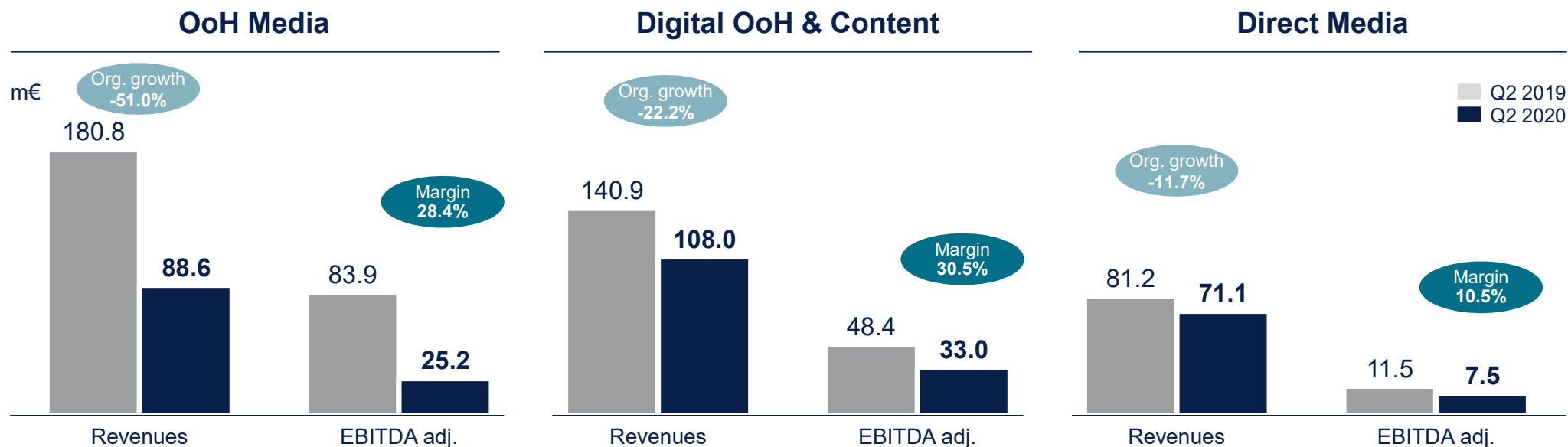
### Comment

- Strong cashflow performance in Q2 due to high payment discipline in a challenging market environment
- Free Cashflow adj. close to previous year's level
- Substantial business decline mitigated by improvements especially in Working Capital
- Sustainable high investments in digitalization, software and other intangibles
- Bank leverage ratio\* at 1.8 and is far below target level of 2.5:



# Segment Perspective Q2 2020 – Financials fully hit by Corona Crisis

## Continuing Operations



- High Corona impact; massive business decline during lockdown
- Nearly stable gross margin, due to significant cost reduction
- Digital screen build-up mostly on track, business prepared for quick reboot

- Digital OoH heavily affected by Corona
- Highly divergent development in online publishing
- Statista resistant to Corona crisis

- Strong decline in D2D business due to temporary stop of activities
- Call Center business very robust
- Asam with double digit growth

Note: Disposal of D+S 360° Group classified as discontinued operations

# Core Business Development Strategy remains unchanged



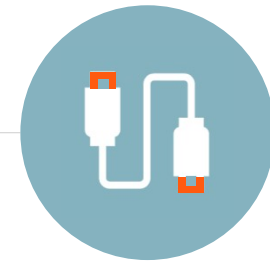
---

**Digitalization of OoH**



---

**Diversification of sales forces  
(national, regional, local)**



---

**Leverage of proprietary  
technological advantages**

# INDEX

**01**

**Strategic  
Reassurance**

**02**

**Business Update**

**03**

**Financial Status**

**04**

**Sustainability  
Report**

**05**

**Outlook**

## Ströer publishes a Sustainability Report for the first Time

”

*The profitable combination of economics and ecology is an exciting, serious and long-term challenge that we are taking up. Particularly as a family-owned company.*

*Udo Müller, Co-CEO  
Ströer SE & Co. KGaA*

**STRÖER**

**SUSTAINABILITY STRATEGY 2030**  
STRÖER SE & CO. KGAA

# Sustainability Strategy 2030

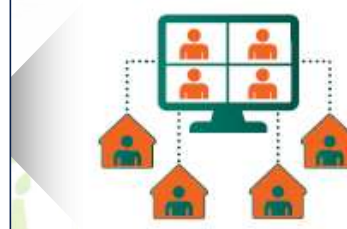
## Environment

e.g. Greened bus shelters



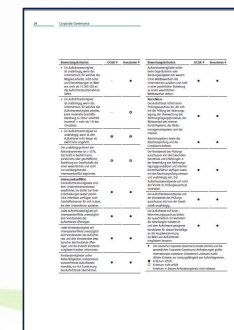
## Social

e.g. Staff development & training



## Governance

e.g. Supervisory Board Composition



▼ Der Deutsche Corporate Governance Kodex (DCGK) und die wesentlichen Corporate-Governance-Anforderungen großer internationaler Investoren (Investoren) umfassen marktübliche Kriterien zur Leistungsfähigkeit von Aufsichtsgremien.  
 ● Kriterium erfüllt  
 ○ Kriterium nicht erfüllt  
 – Kriterium in diesem Anforderungskreis nicht relevant

### Ströer's efforts to further enhance environmental friendliness

Ströer can implement its sustainability strategy particularly effectively in the area of environmental protection.

### Importance of social issues

Ströer plans to further strengthen the culture of sustainability across all hierarchy levels and increasingly raise awareness among all stakeholders.

### Good corporate governance as a success factor

The corporate structures – the organization, the reporting lines and administrative processes – are adapted to the new size of the company as the business grows so that they remain effective.

# Sustainability: Our next Steps

Raise awareness

Create and track KPIs



**Sustainability Strategy 2030**

**Sustainable management even in crises**

**Continuous reporting around the sustainability report**

# INDEX

**01**

**Strategic  
Reassurance**

**02**

**Business Update**

**03**

**Financial Status**

**04**

**Sustainability  
Report**

**05**

**Outlook**





## **Ströer Group's Key Performance Indicators – Guidance Q3/2020**

**Based on our orderbook visibility (July/August), we expect further recovery of our business and revenues in the range of IX 80-85 versus previous year, for the third quarter 2020 for the group.**

# Financial Calendar 2020





**OOH<sup>+</sup>**

# Disclaimer

This presentation contains “forward looking statements” regarding Ströer SE & Co. KGaA (“Ströer”) or the Ströer Group, including opinions, estimates and projections regarding Ströer’s or the Ströer Group’s financial position, business strategy, plans and objectives of management and future operations.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Ströer or the Ströer Group to be materially different from future results, performance or achievements expressed or implied by such forward looking statements.

These forward looking statements speak only as of the date of this presentation release and are based on numerous assumptions which may or may not prove to be correct. No representation or warranty, express or implied, is made by Ströer with respect to the fairness, completeness, correctness, reasonableness or accuracy of any information and opinions contained herein.

The information in this presentation is subject to change without notice, it may be incomplete or condensed, and it may not contain all material information concerning Ströer or the Ströer Group. Ströer undertakes no obligation to publicly update or revise any forward looking statements or other information stated herein, whether as a result of new information, future events or otherwise.

# Appendix

# Profit and Loss Statement 6M 2020

## Continuing Operations

m€	6M 2020	6M 2019	▲ %
<b>Revenues</b>	632.4	743.5	-15%
<b>EBITDA (adjusted)</b>	185.5	255.8	-27%
Exceptional items	-12.2	-13.5	+10%
<b>EBITDA</b>	173.2	242.3	-28%
Depreciation & Amortization*	-179.2	-173.4	-3%
<b>EBIT</b>	-5.9	68.9	n/a
Financial result*	-14.8	-14.5	-2%
Tax result	+2.6	-8.8	n/a
<b>Net Income</b>	-18.2	45.6	n/a
Adjustments**	40.2	40.4	-1%
<b>Net Income (adjusted)</b>	22.1	86.0	-74%

Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

\*Thereof attributable to IFRS 16 in D&A 90.7m€ (PY: 85.6m€) and in financial result 7.4m€ (PY: 10.4m€)

\*\*Adjusted for exceptional items (+12.2m€) and additional other reconciling factors in D&A (PPA related amortization and impairment losses, +33.1m€), in financial result (+1.6m€) and in income taxes (-6.7m€)

# Free Cash Flow Perspective 6M 2020

## Continuing Operations

m€	6M 2020	6M 2019
<b>EBITDA (adjusted)</b>	<b>185.5</b>	<b>255.8</b>
- Exceptional items	-12.2	-13.5
<b>EBITDA</b>	<b>173.2</b>	<b>242.3</b>
- Interest	-11.2	-13.5
- Tax	-11.4	-23.6
-/+ WC	+1.4	-20.7
- Others	+1.2	-8.3
<b>Operating Cash Flow</b>	<b>153.2</b>	<b>176.1</b>
<b>Investments (before M&amp;A)</b>	<b>-63.8</b>	<b>-46.8</b>
<b>Free Cash Flow (before M&amp;A)</b>	<b>89.4</b>	<b>129.3</b>
Lease liability repayments (IFRS 16)*	-75.4	-86.9
<b>Free Cash Flow (adjusted)**</b>	<b>14.0</b>	<b>42.4</b>

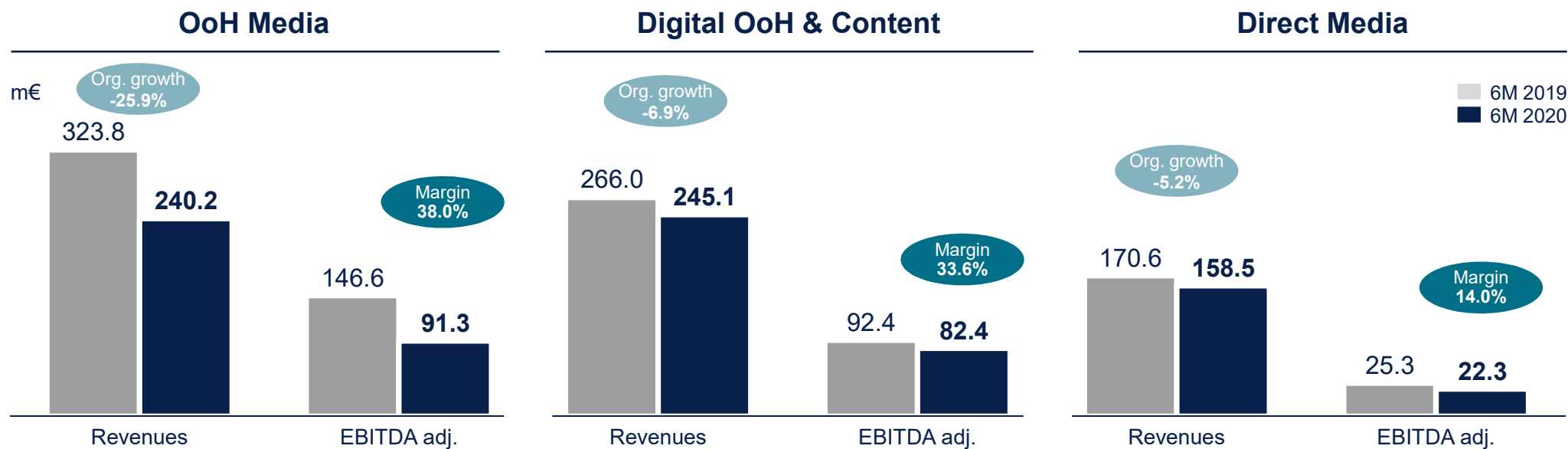
Note: Disposal of D+S 360<sup>0</sup> Group classified as discontinued operations

\*Part of cash flow from financing activities

\*\*Before M&A and incl. IFRS 16 lease liability repayments

# Segment Perspective 6M 2020

## Continuing Operations



Note: Disposal of D+S 360° Group classified as discontinued operations



# Free Cash Flow Bridge Q2 2020

## Continuing Operations

