



# Q1/2016 Results Investor/Analyst Conference Call

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Berlin, May 11, 2016

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# Successful start into the year

## EBITDA

€125.9m – up 5.2%

## Revenues

€783.4m – up 0.4% (+3.7% adj. for consolidation effects, +4.6% adj. for cons. and FX effects)

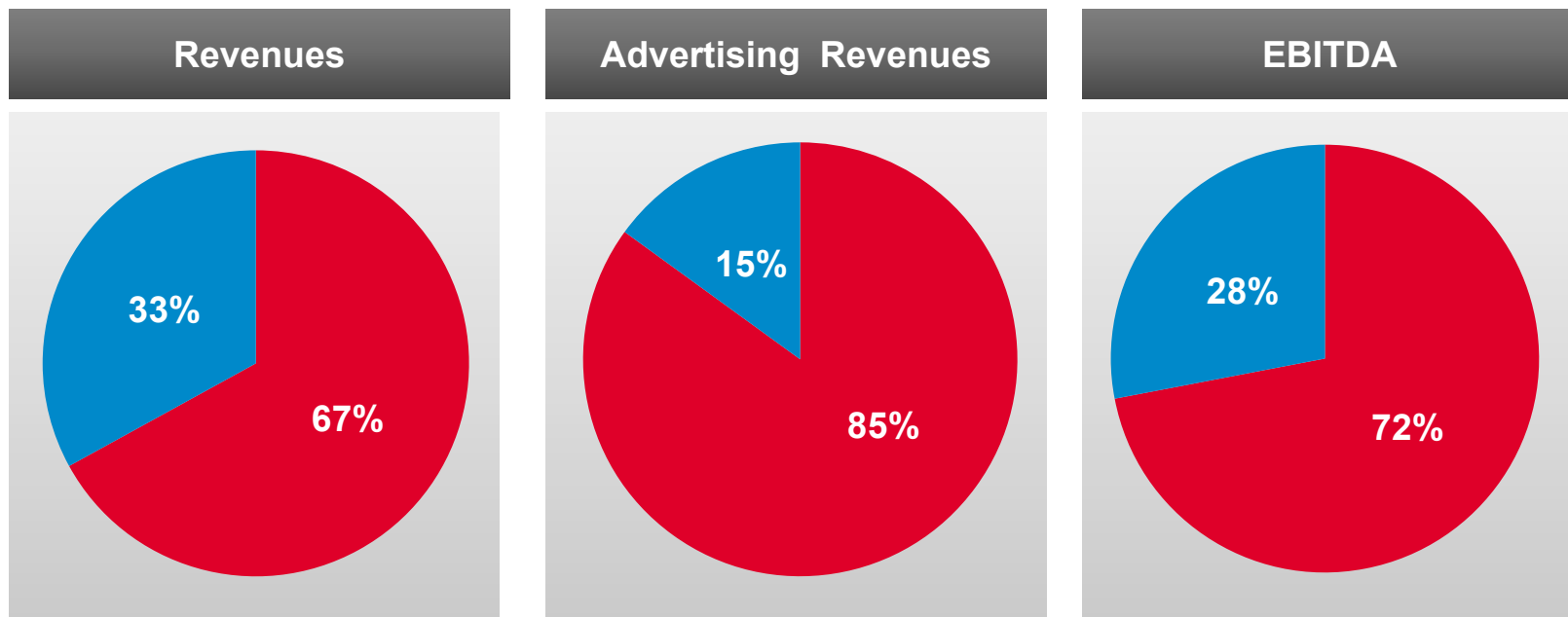
## Dividend payment

€194.2m – up 9.0%

## Early repayment of FUNKE vendor loan

€260.3m cash inflow in April

# 85% of advertising revenues and 72% of EBITDA earned in digital in Q1/16



■ Digital share. ■ Non-digital share.

# Axel Springer with significant reach and traffic figures across all assets

**200 million unique users**

**1.4 billion  
visits**

**1.1 billion  
video views**

**394k  
paid digital  
subs**

Unique users Q1/16, comScore and own calculations, monthly average. Visits Q1/16, comScore and own calculations, monthly average. Video views, most recent company data available (last three months), monthly average. Paying digital subscribers March 2016, BILD and WELT.

# „Traum-Ferienwohnungen“: Bolt-on acquisition in classifieds vacation rentals vertical

## - Profile of Traum-Ferienwohnungen

- One of the **leading online marketplaces for vacation rentals in Germany**
- Founded 2001, based in Bremen, ~100 employees



## - Deal details and rationale

- **Majority** acquisition (50.01%)
- **Founders** continue to lead the business
- **Bolt-on acquisition by @Leisure** (anchor investment in classifieds vacation home business)

# Priorities 2016

We want to...

**1** ... further grow in classifieds

**2** ... invest for further growth in Business Insider, upday, Retale

**3** ... stabilize paid models segment ex growth investments for Business Insider/upday

# Financials Q1/2016



# Start into the year as expected – guidance for the full year confirmed

in €m	Q1/16	Q1/15	yoy
<b>Revenues</b>	<b>783.4</b>	<b>780.6</b>	<b>0.4%</b>
Advertising	527.1	483.3	9.1%
Circulation	154.5	174.4	-11.4%
Other	101.8	122.9	-17.2%
<b>EBITDA</b>	<b>125.9</b>	<b>119.8</b>	<b>5.2%</b>
Margin	16.1%	15.3%	0.7pp
Restructuring Exp.	6.4	12.8	-6.4
Launch Costs	12.3	4.8	7.5
<b>EBITDA ex. Restr./LC</b>	<b>144.7</b>	<b>137.4</b>	<b>5.3%</b>
Margin	18.5%	17.6%	0.9pp

- Q1/16 significantly impacted by consolidation effects
- Revenues adjusted for cons. effects +3.7% (ad revenues +5.9%, circulation revenues -3.5%, other revenues +5.0%)
- Cost development (-1.7%, +3.1% adj. for cons. effects) below revenue increase
- EBITDA up 5.2% (adj. for cons. effects +3.2%) due to continued growth in classifieds, lower restructuring costs and despite investments for future growth

# Classified Ad Models continue with double-digit revenue growth

in €m	Q1/16	Q1/15	yoy
<b>Revenues</b>	<b>212.9</b>	<b>176.2</b>	<b>20.9%</b>
<i>Revenues (pro forma)</i>	213.3	193.3	10.3%
Advertising	207.2	170.9	21.2%
Other	5.7	5.2	8.1%
<b>EBITDA*</b>	<b>83.2</b>	<b>70.2</b>	<b>18.4%</b>
Margin	39.1%	39.9%	-0.8pp

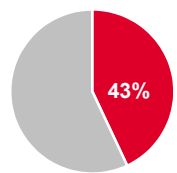
- Revenue increase due to continued strong organic growth (10.3%) and acquisitions
- EBITDA up 18.4%

\* Total EBITDA includes costs of €0.9m in Q1/16 and €1.8m in Q1/15 (thereof business development, M&A and other), not allocated to the three pillars.

# Highest organic growth in classifieds verticals still in jobs with 13.8%

## Jobs

EBITDA share



jobsite



saongroup.com

YOURCAREERGROUP  
HOTEL CAREER | GASTRONOMIE CAREER | TOURISTIK CAREER

in €m

**Revenues**

**Q1/16**

**Q1/15**

**yoy**

95.7

83.5

14.6%

Revenues (pro forma)

95.7

84.1

13.8%

**EBITDA\***

35.9

35.2

2.0%

Margin

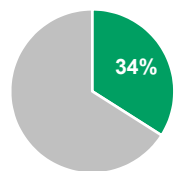
37.5%

42.2%

-4.7pp

## Real estate

EBITDA share



SeLoger  
-com

immowelt.de

immonet.de  
Wir sind Immobilien

IMMOWEB.be  
Belgium's leading property website

in €m

**Revenues**

**Q1/16**

**Q1/15**

**yoy**

65.3

49.8

31.2%

Revenues (pro forma)

65.3

61.4

6.3%

**EBITDA\***

28.4

22.4

26.8%

Margin

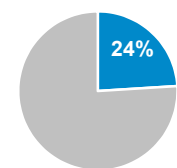
43.4%

45.0%

-1.5pp

## General/Other

EBITDA share



meinstadt.de

@Leisure

yad2

LaCentrale®

in €m

**Revenues**

**Q1/16**

**Q1/15**

**yoy**

51.9

42.9

20.9%

Revenues (pro forma)

52.2

47.7

9.4%

**EBITDA\***

19.8

14.4

37.4%

Margin

38.2%

33.6%

4.6pp

\* Total EBITDA includes costs of €0.9m in Q1/16 and €1.8m in Q1/15 (thereof business development, M&A and other), not allocated to the three pillars.

# Paid Models EBITDA stable excluding growth investments

in €m	Q1/16	Q1/15	yoy
<b>Revenues</b>	<b>340.8</b>	<b>360.7</b>	<b>-5.5%</b>
<i>thereof digital (reported)</i>	91.6	72.8	25.9%
<i>thereof digital (pro forma)</i>	91.6	79.0	16.0%
Advertising	140.1	139.6	0.4%
Circulation	154.5	174.1	-11.3%
Other	46.2	46.9	-1.6%
<b>EBITDA</b>	<b>37.1</b>	<b>43.5</b>	<b>-14.7%</b>
Margin	10.9%	12.1%	-1.2pp
Restructuring Exp.	5.2	7.9	-2.7
Launch Costs	7.4	2.1	5.3
<b>EBITDA ex. Restr./LC</b>	<b>49.7</b>	<b>53.5</b>	<b>-7.1%</b>
Margin	14.6%	14.8%	-0.2pp

- Revenue development impacted by consolidation effects (mostly Swiss activities), adjusted for these effects down only 1.1%
- 27% of revenues now from digital
- Advertising revenues adjusted for cons. effects stable (+0.1%)
- Circulation revenues adj. for cons. effects down 3.4%
- EBITDA decline due to planned growth investments – adjusted for these up in Q1/16 yoy

# Marketing Models impacted by consolidation effects and higher growth investments

in €m	Q1/16	Q1/15	yoy
<b>Revenues</b>	<b>210.5</b>	<b>219.0</b>	<b>-3.9%</b>
<i>Revenues (pro forma)</i>	210.5	201.6	4.4%
Advertising	179.7	172.8	4.0%
Other	30.8	46.1	-33.3%
<b>EBITDA*</b>	<b>19.5</b>	<b>22.1</b>	<b>-11.7%</b>
Margin	9.3%	10.1%	-0.8pp
Restructuring Exp.	0.1	0.3	-0.2
Launch Costs	4.8	2.8	2.1
<b>EBITDA</b> ex. Restr./LC	<b>24.4</b>	<b>25.1</b>	<b>-2.9%</b>
Margin	11.6%	11.5%	0.1pp

- Consolidation effects due to sale of stake in Talpa Germany and Smart AdServer in 2015
- Revenues adj. for cons. effects up 4.4% (ad revs +2.9%, other revs +15.1%)
- EBITDA development (adj. for cons. effects -9.1%) driven by higher launch costs for Retale

\* Total EBITDA includes costs of €1.8m in Q1/16 and €2.0m in Q1/15 (thereof business development, M&A and other), not allocated to the two pillars.

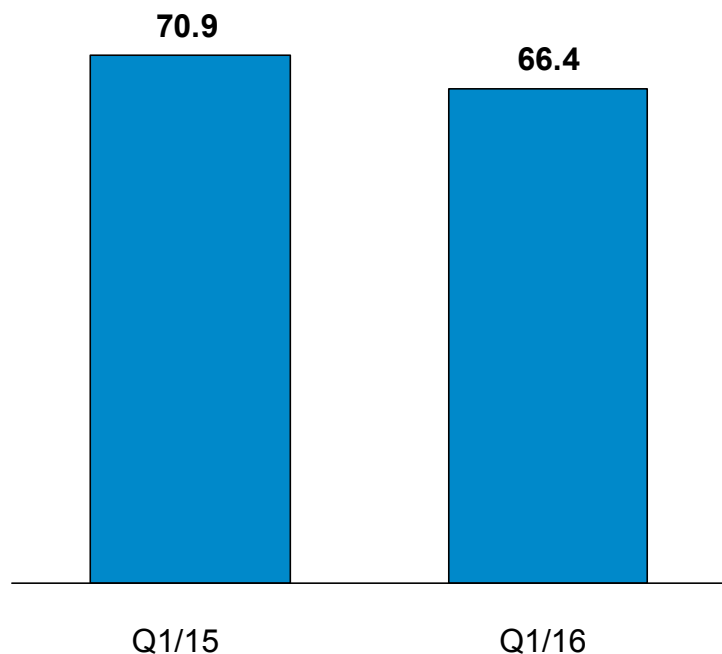
# Adjusted eps up 18.6% yoy – guidance for FY 16 mid to high single-digit growth

in €m	Q1/16	Q1/15	yoy
<b>Net income</b>	<b>209.4</b>	<b>43.0</b>	<b>&gt;100%</b>
Non-recurring effects	-171.8	4.2	-
Effects of purchase price allocations	21.6	17.3	24.8%
Taxes attributable to these effects	6.1	-6.9	-
<b>Adjusted net income</b>	<b>65.3</b>	<b>57.6</b>	<b>13.3%</b>
Thereof attributable to non-controlling interests	8.6	13.7	-37.7%
<b>Adjusted net income attributable to shareholders of Axel Springer SE</b>	<b>56.7</b>	<b>43.9</b>	<b>29.3%</b>
<i>in €</i>			
<b>Adjusted eps<sup>1)</sup></b>	<b>0.53</b>	<b>0.44</b>	<b>18.6%</b>

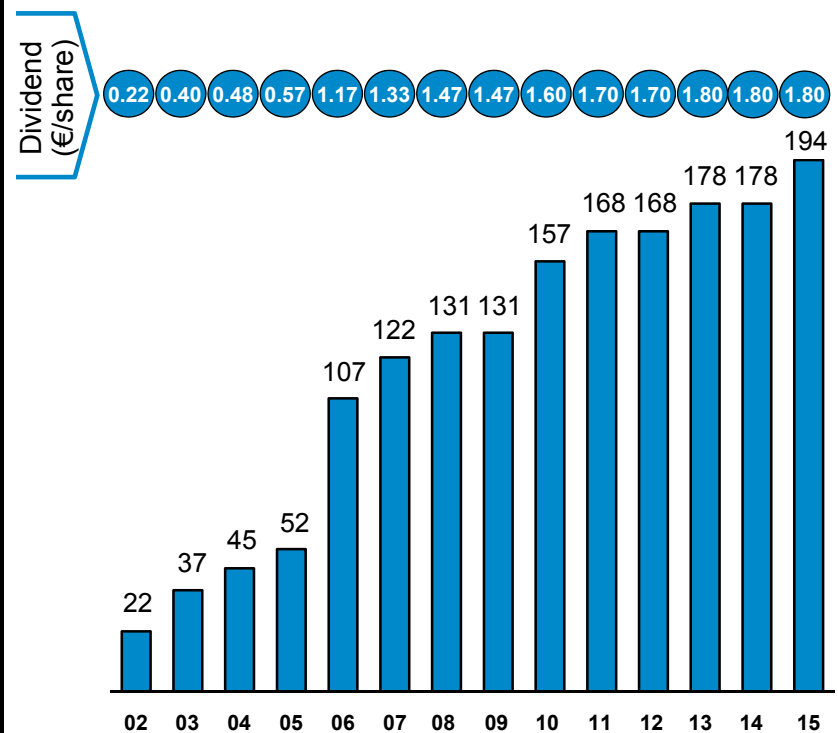
<sup>1)</sup> Based on weighted average number of shares outstanding in Q1/16: 107.9m (Q1/15: 98.9m).

# Dividend yield of 3.6%<sup>1)</sup>, dividend volume up to new record high of €194m

- Free cash flow in €m



- Dividend volume in €m



<sup>1)</sup> Based on share price on day prior to AGM.

# Leverage of 1.5x post dividend payment and cash inflow from FUNKE vendor loan

Net financial debt<sup>1)</sup> of €881m as of April 2016 (leverage 1.5x<sup>2)</sup>)

## – Early repayment of FUNKE vendor loan

- **Vendor loan granted in April 2014**  
in connection with sale of regional newspapers and magazines
- **Initial terms**  
Nominal value of €241m, 5% yearly capitalized interest, repayment over a two-year period starting 2018
- **Agreement with FUNKE to receive early repayment**  
€260.3m cash payment received end of April 2016

## – Future cash flows

### Inflows

- Strong free cash flow generation
- Payment of €55m received in January 2016 from sale of stake in Doğan TV. Further sale/payments of €171m expected in 2020/2022.

### Outflows

- Put-Call-Options following acquisitions, volume expected to be ~€60m for 2016

<sup>1)</sup> Excl. pension liabilities. <sup>2)</sup> Based on Bloomberg EBITDA consensus for 2016.



# Outlook 2016

## Axel Springer

### Group

**Revenues** Low single-digit % growth  
**EBITDA** Low to mid single-digit % growth  
**eps (adj.)** Mid to high single-digit % growth

	Classified Ad Models	Paid Models	Marketing Models	Services/ Holding
Revenues	Low double-digit % growth	Mid single-digit % decline	Mid single-digit % growth	Significant decline
EBITDA	Low double-digit % growth	Mid to high single-digit % decline	On prior-year level	Mid single-digit % decline

# Appendix

# Paid Models International: EBITDA impacted by growth investments for BI and upday

in €m	Paid Models National			Paid Models International		
	Q1/16	Q1/15	yoy	Q1/16	Q1/15	yoy
<b>Revenues</b>	<b>265.6</b>	<b>270.9</b>	<b>-2.0%</b>	<b>75.2</b>	<b>89.8</b>	<b>-16.2%</b>
<i>thereof digital (reported)</i>	57.2	47.7	20.0%	34.4	25.1	36.9%
<i>thereof digital (pro forma)</i>	57.2	47.7	20.0%	34.4	31.3	9.8%
Advertising	103.6	103.4	0.2%	36.6	36.2	0.9%
Circulation	129.8	134.5	-3.5%	24.7	39.7	-37.7%
Other	32.2	33.1	-2.6%	14.0	13.9	0.8%
<b>EBITDA</b>	<b>38.3</b>	<b>34.7</b>	<b>10.3%</b>	<b>-1.2</b>	<b>8.8</b>	<b>-</b>
Margin	14.4%	12.8%	1.6pp	-1.6%	9.8%	-11.4pp
Restructuring Exp.	5.1	7.8	-2.7	0.0	0.1	-0.1
Launch Costs	0.7	1.9	-1.2	6.7	0.2	6.5
<b>EBITDA ex. Restr./LC</b>	<b>44.2</b>	<b>44.5</b>	<b>-0.6%</b>	<b>5.5</b>	<b>9.0</b>	<b>-38.8%</b>
Margin	16.6%	16.4%	0.2pp	7.3%	10.0%	-2.7pp

# Reach Based Marketing: Revenues ex consolidation effects up 14% (reported -12%)

in €m	Reach Based Marketing			Performance Marketing		
	Q1/16	Q1/15	yoy	Q1/16	Q1/15	yoy
<b>Revenues</b>	<b>68.9</b>	<b>78.5</b>	<b>-12.2%</b>	<b>141.6</b>	<b>140.6</b>	<b>0.7%</b>
<i>Revenues (pro forma)</i>	68.9	61.0	12.8%	141.6	140.6	0.7%
Advertising	55.0	45.6	20.5%	124.7	127.2	-2.0%
Other	13.9	32.7	-57.6%	16.9	13.3	26.6%
<b>EBITDA</b>	<b>15.3</b>	<b>17.5</b>	<b>-12.3%</b>	<b>5.9</b>	<b>6.6</b>	<b>-10.5%</b>
Margin	22.2%	22.2%	0.0pp	4.2%	4.7%	-0.5pp
Restructuring Exp.	0.0	0.0	0.0	0.0	0.3	-0.3
Launch Costs	4.8	2.8	2.1	0.0	0.0	0.0
<b>EBITDA ex. Restr./LC</b>	<b>20.2</b>	<b>20.2</b>	<b>-0.2%</b>	<b>6.0</b>	<b>6.9</b>	<b>-13.8%</b>
Margin	29.3%	25.8%	3.5pp	4.2%	4.9%	-0.7pp

\* Total EBITDA includes costs of €1.8m in Q1/16 and €2.0m in Q1/15 (thereof business development, M&A and other), not allocated to the two pillars.

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