



Q1/2017 Results

Investor/Analyst Conference Call

Berlin, May 10, 2017

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Q1/17: Strong start into the year

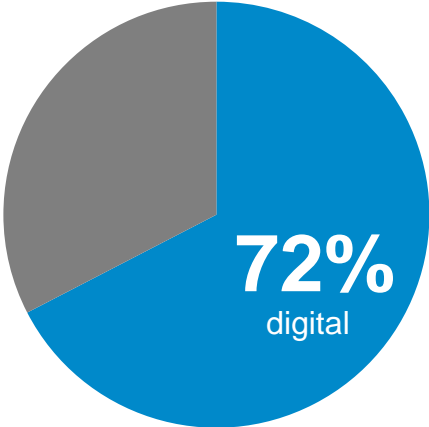
EBITDA €147.2m (+16.9% reported, +7.9% organically)

Revenues €836.2m (+6.7% reported, +4.4% organically)

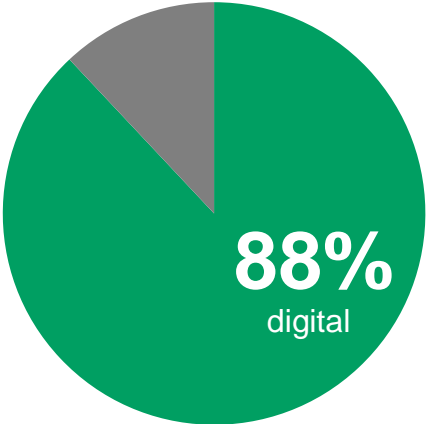
eps (adj.) €0.62 (+18.7%)

Digital revenues 72% of total revenues – with organic growth of 10.7% in Q1/17

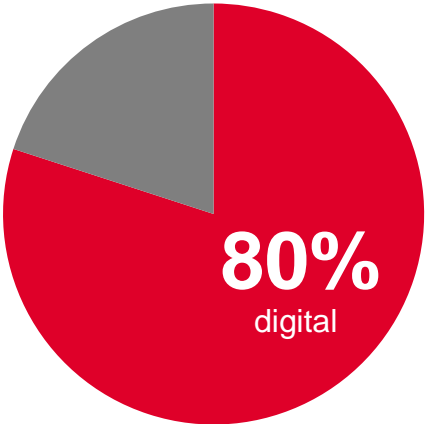
Revenues



Advertising Revenues



EBITDA



Classifieds continue to be the growth engine

Strong revenue growth of 17.3% – organically up by 12.0%

Jobs classifieds again with strongest organic growth (16.2%)

Real Estate classifieds in Q1/17 also with double-digit organic growth of 13.4%

Increased profitability

EBITDA of €101.1m (+21.5%) – Classifieds generate 62.9% of total EBITDA

French Real Estate Classifieds

Intention to acquire Concept Multimédia (Logic-Immo) in France

Highly successful start into the year for Business Insider

BUSINESS
INSIDER

- **Revenues** up >50% in Q1/17 yoy
- **Strong performance of video views** – up >30% vs Q4/16 and even >3bn video views in January 17
- Mid-roll advertising with positive early signs for **monetization of video views**

Key messages 2017

1

More disclosure on classifieds

Dedicated Capital Markets Days on June 27 (London) and June 28 (NY)

2

Stable EBITDA in Paid Models

in a range between €205m and €225m for 2017-2019

3

No loss-making content acquisitions

before existing digital content businesses have proven profitability

4

Leading digital publisher

Focus on classifieds and content

Financials Q1/2017

Strong start into the year – EBITDA up 16.9%

in €m	Q1/17	Q1/16	yoy
Revenues	836.2	783.4	6.7%
Advertising	583.3	527.1	10.7%
Circulation	158.6	154.5	2.6%
Other	94.3	101.8	-7.3%
EBITDA	147.2	125.9	16.9%
Margin	17.6%	16.1%	1.5pp
Restructuring Exp.	4.8	6.4	-1.6
Launch Costs	9.8	12.3	-2.6
EBITDA ex. Restr./LC	161.8	144.7	11.8%
Margin	19.3%	18.5%	0.9pp

Comments

- Revenues adjusted for cons. and FX effects +4.4% (ad revenues +8.1%, circulation revenues -4.1%, other revenues -2.0%)
- EBITDA up 16.9% (adj. for cons. and FX effects +7.9%) driven by continued strong growth in classifieds and lower launch and restructuring costs

Classified Ad Models continue with double-digit organic revenue growth of 12.0% in Q1/17

in €m	Q1/17	Q1/16	yoy
Revenues	249.7	212.9	17.3%
<i>organic growth*</i>			12.0%
Advertising	245.6	207.2	18.5%
Other	4.1	5.7	-27.2%
EBITDA**	101.1	83.2	21.5%
Margin	40.5%	39.1%	1.4pp

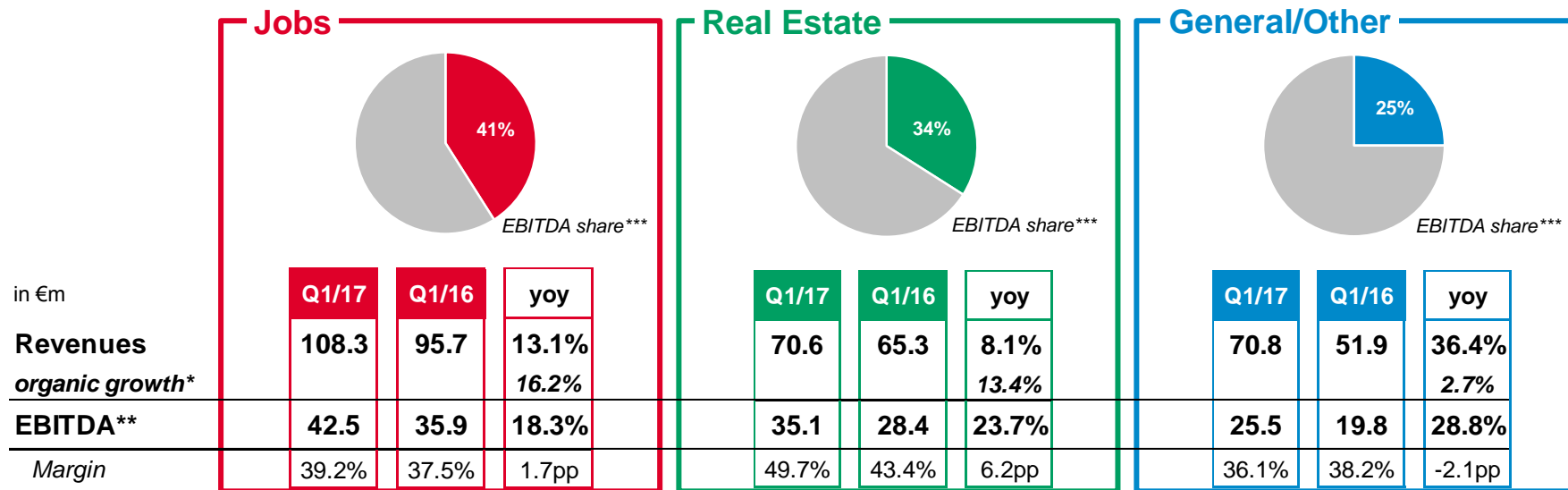
– Comments

- Revenue increase due to continued strong organic growth (12.0%) as well as consolidation effects
- EBITDA up 21.5% (adjusted for cons. and FX effects +14.9%) and margin +1.4 percentage points yoy

* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €2.0m in Q1/17 and €0.9m in Q1/16 (thereof business development, M&A and other), not allocated to the three pillars.

Continued strong organic growth in Jobs, Real Estate revenues also up double-digit organically



* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €2.0m in Q1/17 and €0.9m in Q1/16 (thereof business development, M&A and other), not allocated to the three pillars.

*** Of total classifieds subsegments EBITDA contributions

Paid Models EBITDA up 19.8%

in €m	Q1/17	Q1/16	yoy
Revenues	345.7	340.8	1.4%
<i>thereof digital (reported)</i>			22.9%
<i>thereof digital (organic growth*)</i>			7.9%
Advertising	141.3	140.1	0.8%
Circulation	158.6	154.5	2.6%
Other	45.9	46.2	-0.5%
EBITDA	44.5	37.1	19.8%
<i>Margin</i>	12.9%	10.9%	2.0pp
Restructuring Exp.	2.9	5.2	-2.3
Launch Costs	9.0	7.4	1.5
EBITDA ex. Restr./LC	56.3	49.7	13.3%
<i>Margin</i>	16.3%	14.6%	1.7pp

* Adjusted for consolidation and FX effects.

Comments

- Revenues up 1.4%, adjusted for cons. (mostly eMarketer) and FX effects, down 2.6%
- 32.6% of revenues now from digital (23.0% in National, 59.8% in International)
- Advertising revenues +0.8%, adjusted for cons. and FX effects slightly down (-1.4%)
- Reported circulation revenues up 2.6% (positive impact from consolidation effects from eMarketer), down 4.1% adj. for cons. and FX effects
- EBITDA up 19.8% reported, +6.0% organically

Marketing Models with double-digit organic revenue growth but margin decline

in €m	Q1/17	Q1/16	yoy
Revenues	225.2	210.5	7.0%
<i>organic growth*</i>			10.5%
Advertising	196.6	179.7	9.4%
Other	28.7	30.8	-6.8%
EBITDA**	15.1	19.5	-22.4%
Margin	6.7%	9.3%	-2.5pp
Restructuring Exp.	0.2	0.1	0.1
Launch Costs	0.5	4.8	-4.3
EBITDA ex. Restr./LC	15.9	24.4	-35.0%
Margin	7.0%	11.6%	-4.6pp

Comments

- Revenues with 10.5% organic growth (ad revs. +11.3%, other revs. +5.4%)
- EBITDA below prior year mostly due to competitive environment (EBITDA adjusted for cons. and FX effects -26.7%)

* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €1.9m in Q1/17 and €1.8m in Q1/16 (thereof business development, M&A and other), not allocated to the two pillars.

Adjusted eps up 18.7% yoy

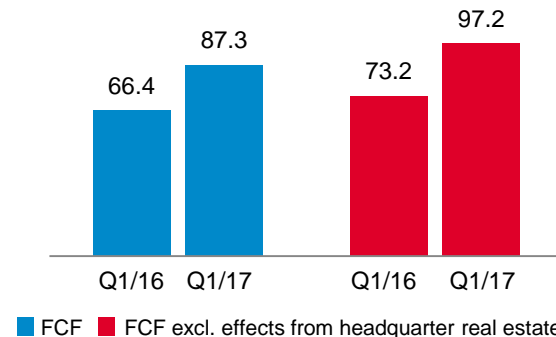
<i>in €m</i>	Q1/17	Q1/16
Net income continuing operations	47.3	209.4
<i>yoy change</i>	-77.4%	
Non-recurring effects	11.8	-171.8
Depreciation, amortization, and impairments of purchase price allocations	31.3	21.6
Taxes attributable to these effects	-12.3	6.1
Adjusted net income	78.1	65.3
<i>yoy change</i>	19.5%	
Thereof attributable to non-controlling interests	10.7	8.6
Adjusted net income attributable to shareholders of Axel Springer SE	67.3	56.7
<i>yoy change</i>	18.7%	
<i>in €</i>		
Adjusted eps continuing operations¹⁾	0.62	0.53
<i>yoy change</i>	18.7%	

¹⁾ Based on weighted average number of shares outstanding in Q1/17:107.9m (Q1/16:107.9m).

Net financial debt of €1.0bn (leverage of 1.6x) – FCF up yoy as expected

Net financial debt of €996.6m¹⁾ in March 2017 (leverage 1.6x²⁾)

Free cash flow (FCF) in €m



Future cash flows

- Strong free cash flow generation
- Net positive cash inflow of >€200m until 2020 from Berlin real estate transactions
- Payments from sale of stake in Doğan TV of €171m expected in 2020/2022

¹⁾ Excl. pension liabilities. ²⁾ Based on Bloomberg consensus for EBITDA 2017.

Outlook 2017

Group	
Revenues	Mid single-digit % growth
EBITDA	Mid to high 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	On prior-year level	High single-digit to low double-digit % growth	Significant decline
EBITDA	Low double-digit % growth	On prior-year level	High single-digit to low double-digit % growth	Significantly down*

* Higher negative EBITDA.

Appendix

International EBITDA supported by consolidation effects but also organically positive result

in €m	Paid Models National			Paid Models International		
	Q1/17	Q1/16	yoy	Q1/17	Q1/16	yoy
Revenues	255.4	265.6	-3.8%	90.3	75.2	20.1%
<i>thereof digital (reported)</i>			2.5%			56.9%
thereof digital (organic growth*)			1.8%			18.0%
Advertising	95.6	103.6	-7.7%	45.6	36.6	24.8%
Circulation	125.5	129.8	-3.3%	33.1	24.7	34.0%
Other	34.3	32.2	6.6%	11.6	14.0	-17.0%
EBITDA	35.8	38.3	-6.7%	8.7	-1.2	-
<i>Margin</i>	14.0%	14.4%	-0.4pp	9.7%	-1.6%	11.3pp
Restructuring Exp.	2.8	5.1	-2.3	0.1	0.0	0.0
Launch Costs	2.9	0.7	2.2	6.1	6.7	-0.6
EBITDA ex. Restr./LC	41.5	44.2	-6.2%	14.9	5.5	>100%
<i>Margin</i>	16.2%	16.6%	-0.4pp	16.5%	7.3%	9.1pp

* Adjusted for consolidation and FX effects.

Reach Based Marketing with double-digit organic revenue growth but margin decline in Q1/17

in €m	Reach Based Marketing			Performance Marketing		
	Q1/17	Q1/16	yoy	Q1/17	Q1/16	yoy
Revenues	75.8	68.9	10.0%	149.5	141.6	5.5%
<i>organic growth*</i>			16.1%			7.9%
Advertising	63.2	55.0	15.0%	133.3	124.7	6.9%
Other	12.5	13.9	-9.6%	16.1	16.9	-4.4%
EBITDA**	11.3	15.3	-26.5%	5.8	5.9	-1.9%
Margin	14.9%	22.2%	-7.4pp	3.9%	4.2%	-0.3pp
Restructuring Exp.	0.2	0.0	0.2	0.0	0.0	0.0
Launch Costs	0.5	4.8	-4.3	0.0	0.0	0.0
EBITDA ex. Restr./LC	12.0	20.2	-40.6%	5.8	6.0	-2.8%
Margin	15.8%	29.3%	-13.5pp	3.9%	4.2%	-0.3pp

* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €1.9m in Q1/17 and €1.8m in Q1/16 (thereof business development, M&A and other), not allocated to the two pillars.

Organic revenue development digital media

yoy	Q1/17	FY16	FY15	FY14
Classified Ad Models	12.0%	12.5%	12.4%	9.8%
<i>Jobs</i>	16.2%	17.6%	21.2%	13.5%
<i>Real Estate</i>	13.4%	6.3%	4.8%	6.0%
<i>General/Other</i>	2.7%	9.7%	4.0%	9.8%
Paid Models	7.9%	14.7%	3.2%	8.4%
<i>National</i>	1.8%	17.4%	0.8%	11.5%
<i>International</i>	18.0%	9.4%	8.2%	4.2%
Marketing Models	10.5%	7.5%	9.2%	6.2%
<i>Reach Based</i>	16.1%	15.6%	13.6%	7.8%
<i>Performance Based</i>	7.9%	4.2%	7.7%	5.3%

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