



Annual Results 2016

Investor/Analyst Conference Call

Berlin, March 9, 2017

Dr Mathias Döpfner, Chairman & CEO

Dr Julian Deutz, CFO

Disclaimer

This document, which has been issued by Axel Springer SE (the "Company"), comprises the written materials/slides for a presentation of the management.

Whilst all reasonable care has been taken to ensure that the information and facts stated herein are accurate and that the opinions and expectations contained herein are fair and reasonable no representation or warranty, express or implied, is given by or on behalf of the Company, any of its directors, or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability is accepted for any such information or opinions.

This document contains forward looking statements which involves risks and uncertainties. These forward looking statements speak only as of the date of this document and are based on numerous assumptions which may or may not prove to be correct. The actual performance and results of the business of the Company could differ materially from the performance and results discussed in this document.

The Company undertakes no obligation to publicly update or revise any forward looking statements or other information contained herein whether as a result of new information, future events or otherwise.

This document does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

Strong 2016 – EBITDA and eps growth at upper end of guidance

EBITDA €595.5m (+6.5%) reported, +4.4% organically

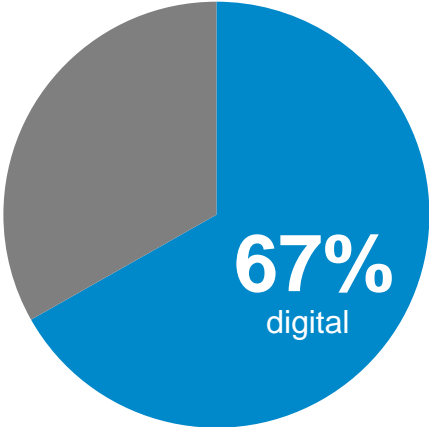
Revenues €3,290.2m (-0.1%) reported, +4.1% organically

eps (adj.) €2.41 (+8.5%)

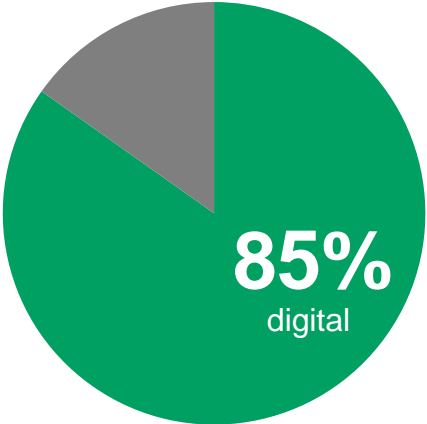
Dividend proposal €1.90 (+5.6%)

Digital revenues 67% of total revenues – with organic growth of 10.7% in FY/16

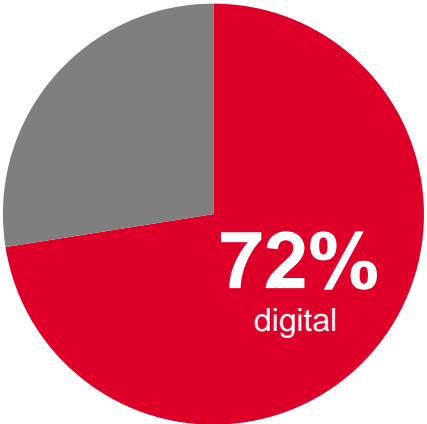
Revenues



Advertising Revenues






EBITDA



Goals 2016 achieved

We executed on our plan to...

- 1** ...further grow in classifieds  +12.5%
org. growth
- 2** ...invest for further growth in Business Insider,
upday, Retale  €33.0m
- 3** ...stabilize Paid Models segment EBITDA ex growth
investments for Business Insider/upday*  +3.0%

* Positive consolidation effects from acquisition of eMarketer (7/16) also adjusted.

Axel Springer Classifieds – growth engine

World's largest classifieds business

82% of revenues from **#1 positions**

12.5% organic revenue growth

€355m EBITDA (+11.5% organically)

Strong content business – strict M&A discipline

Digital content – significant growth

- **Record reach** in unique users and video views
- Solid **growth of digital subs**
- **51%** of international Paid Models now **digital**
- **No loss-making content acquisitions** before existing digital content businesses have proven profitability

Best-in-class management of print decline

- Continued **focus on cost management**
- Further room for **copy price increases**

Mid-term target for Paid Models

We are expecting a

stable EBITDA,

in a range between

€205m and €225m

for 2017-2019.

Priorities 2017

Focus on ...

- 1 ... earnings growth
- 2 ... more disclosure
- 3 ... value creation

Financials FY 2016

Organic revenue growth of 4.1% across the group

in €m	2016	yoy	Q4/16	yoy
Revenues	3,290.2	-0.1%	903.5	-2.0%
Advertising	2,223.1	5.5%	639.6	2.7%
Circulation	646.9	-10.4%	156.4	-12.9%
Other	420.2	-9.8%	107.5	-10.4%
EBITDA	595.5	6.5%	176.5	8.3%
<i>Margin</i>	18.1%	1.1pp	19.5%	1.9pp
Restructuring Exp.	29.8	-33.4	11.6	-13.3
Launch Costs	53.5	25.9	13.6	4.9
EBITDA ex. Restr./LC	678.7	4.5%	201.8	2.7%
<i>Margin</i>	20.6%	0.9pp	22.3%	1.0pp

Comments

- Revenue growth adj. for cons. and FX effects +4.1% (ad revenues +6.4%, circulation revenues -3.5%, other revenues +5.0%)
- EBITDA up 6.5% (+4.4% adj. for cons. and FX effects) due to continued growth in classifieds, lower restructuring costs and despite investments for future growth

Classified Ad Models continue with double-digit organic revenue growth of 13.9% in Q4/16

in €m	2016	yoy	Q4/16	yoy
Revenues	879.5	16.8%	234.5	14.0%
<i>organic growth*</i>		12.5%		13.9%
Advertising	858.5	17.5%	230.6	15.6%
Other	20.9	-6.5%	3.9	-37.3%
EBITDA**	354.6	16.3%	93.2	15.4%
<i>Margin</i>	40.3%	-0.2pp	39.8%	0.5pp

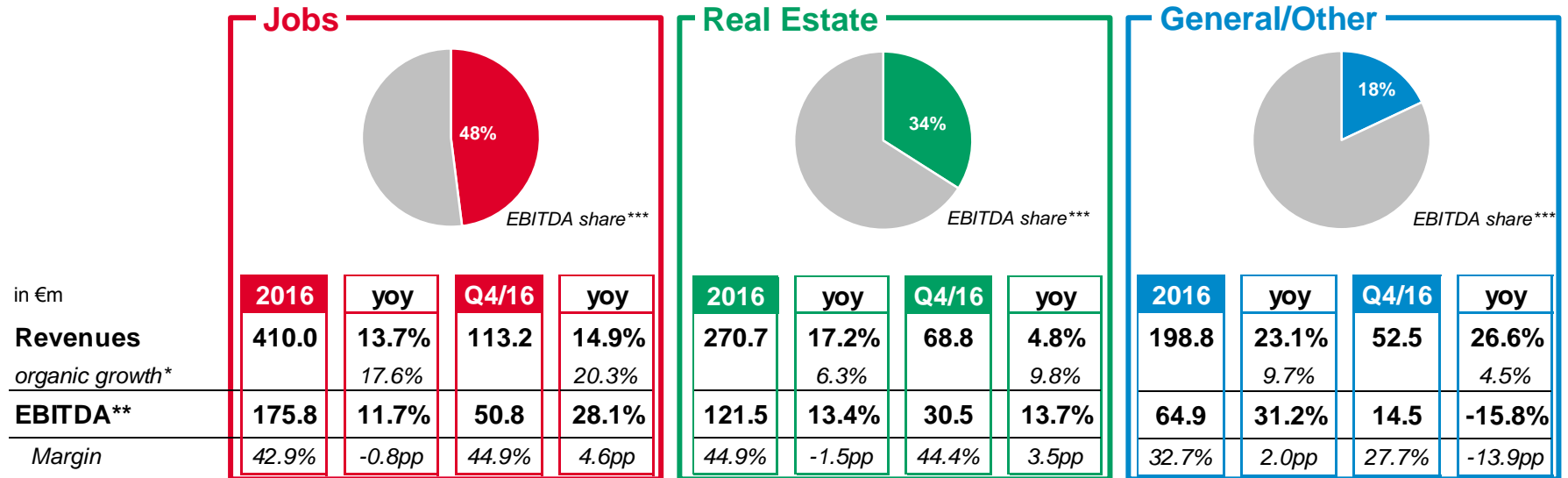
- Comments

- Revenue increase due to continued strong organic growth (+12.5% in FY/16) and acquisitions, Q4/16 highest organic yoy growth during the year
- EBITDA up 16.3% (+11.5% organic growth)

* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €7.6m in FY16 and €9.0m in FY15 (thereof business development, M&A and other), not allocated to the three pillars.

Jobs classifieds continue to outperform other verticals: 17.6% organic growth in FY/16



* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €7.6m in FY16 and €9.0m in FY15 (thereof business development, M&A and other), not allocated to the three pillars.

*** Of total Classifieds subsegments EBITDA contributions

Paid Models EBITDA excluding growth investments and consolidation effects up 3.0%

in €m	2016	yoy	Q4/16	yoy
Revenues	1,481.6	-6.4%	406.5	-10.0%
<i>thereof digital (reported)</i>		22.7%		16.2%
thereof digital (organic growth*)		14.7%		10.4%
Advertising	617.2	-5.3%	191.1	-9.9%
Circulation	646.8	-10.3%	156.3	-12.9%
Other	217.7	4.2%	59.1	-1.7%
EBITDA	214.4	-3.9%	80.4	12.9%
<i>Margin</i>	<i>14.5%</i>	<i>0.4pp</i>	<i>19.8%</i>	<i>4.0pp</i>
Restructuring Exp.	18.3	-16.5	5.0	-8.4
Launch Costs	34.8	22.4	9.3	5.1
EBITDA ex. Restr./LC	267.6	-1.0%	94.7	6.6%
<i>Margin</i>	<i>18.1%</i>	<i>1.0pp</i>	<i>23.3%</i>	<i>3.6pp</i>

Comments

- Revenue development impacted by consolidation (mostly Swiss activities) and FX effects, adjusted for these effects -1.6%
- 29.2% of revenues from digital (22.7% in National, 51.1% in International)
- Organic advertising revenue growth -3.2% (National -5.4%, International +4.1%)
- Circulation revenues down only 3.4% organically
- EBITDA -3.9%, adjusted for growth investments in Business Insider and upday as well as for consolidation effects from eMarketer up by 3.0%

* Adjusted for consolidation and FX effects.

Marketing Models impacted by consolidation effects and higher growth investments

in €m	2016	yoy	Q4/16	yoy
Revenues	856.2	-2.6%	245.4	-0.3%
<i>organic growth*</i>		7.5%		8.9%
Advertising	747.4	3.1%	218.0	3.1%
Other	108.7	-29.3%	27.4	-21.3%
EBITDA**	82.2	-6.6%	24.3	4.3%
<i>Margin</i>	9.6%	-0.4pp	9.9%	0.4pp
Restructuring Exp.	0.9	-0.8	0.4	-0.2
Launch Costs	17.8	2.7	4.1	-0.4
EBITDA ex. Restr./LC	100.9	-3.7%	28.7	1.3%
<i>Margin</i>	11.8%	-0.1pp	11.7%	0.2pp

* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €8.7m in FY16 and €10.6m in FY15 (thereof business development, M&A and other), not allocated to the two pillars.

Comments

- Consolidation effects due to sale of stake in Talpa Germany and Smart AdServer in 2015 as well as sale of Smarthouse in 2016
- Revenues with 7.5% organic growth (ad revs +8.0%, other revs +4.0%)
- EBITDA development driven by consolidation effects, higher growth investments, negative FX effects and a competitive environment (EBITDA adjusted for cons. and FX effects +0.7%)

Adjusted eps up 8.5% yoy in FY/16 at upper end of guidance

in €m

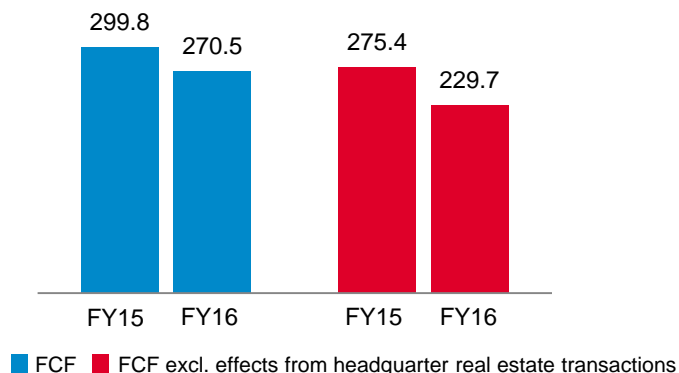
	2016	2015	Q4/16	Q4/15
Net income continuing operations	450.0	304.6	86.6	46.7
<i>yoy change</i>	47.7%		85.4%	
Non-recurring effects	-234.6	-98.9	1.4	8.7
Depreciation, amortization, and impairments of purchase price allocations	108.3	84.9	35.8	22.8
Taxes attributable to these effects	-23.8	-11.3	-32.9	2.3
Adjusted net income	299.9	279.3	91.0	80.4
<i>yoy change</i>	7.4%		13.1%	
Thereof attributable to non-controlling interests	40.4	58.3	15.4	18.0
Adjusted net income attributable to shareholders of Axel Springer SE	259.5	220.9	75.5	62.5
<i>yoy change</i>	17.4%		20.9%	
in €				
Adjusted eps continuing operations¹⁾	2.41	2.22	0.70	0.61
<i>yoy change</i>	8.5%		14.2%	

¹⁾ Based on weighted average number of shares outstanding in FY16: 107.9m (FY15: 99.7m).

FCF excl. effects from headquarter real estate transactions expected to be up yoy in 2017

Net financial debt of €1,035.2m¹⁾ at year-end 2016 (leverage 1.7x)

Free cash flow (FCF) in €m



¹⁾ Excl. pension liabilities.

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

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.

Mid-term target Paid Models: Stable EBITDA expected

How do we get there?

- **Slightly declining revenues**
 - Strong digital growth to continue
 - Higher digital share in International
 - Manageable print declines
- **Continued cost management across the segment**
- **Stable EBITDA, in a range between €205m and €225m (2017-2019)**
 - Growth in International compensates decline in National

Appendix

Paid Models International: EBITDA impacted by growth investments

in €m	Paid Models National				Paid Models International			
	2016	yoy	Q4/16	yoy	2016	yoy	Q4/16	yoy
Revenues	1,142.4	-2.3%	310.9	-5.9%	339.2	-17.8%	95.6	-21.2%
<i>thereof digital (reported)</i>		18.1%		15.1%		30.4%		17.8%
thereof digital (organic growth*)		17.4%		14.3%		9.4%		4.2%
Advertising	441.0	-5.3%	137.1	-7.8%	176.2	-5.6%	54.0	-14.7%
Circulation	539.6	-3.6%	130.1	-6.3%	107.2	-33.7%	26.3	-35.5%
Other	161.8	11.9%	43.7	2.2%	55.8	-13.1%	15.4	-11.3%
EBITDA	178.0	4.3%	55.5	-3.0%	36.3	-30.8%	24.9	78.5%
<i>Margin</i>	15.6%	1.0pp	17.9%	0.5pp	10.7%	-2.0pp	26.0%	14.5pp
Restructuring Exp.	17.2	-16.2	4.3	-8.6	1.1	-0.2	0.7	0.1
Launch Costs	5.6	-0.5	2.2	1.6	29.3	23.0	7.1	3.5
EBITDA ex. Restr./LC	200.8	-4.4%	62.1	-12.3%	66.7	10.9%	32.7	80.3%
<i>Margin</i>	17.6%	-0.4pp	20.0%	-1.5pp	19.7%	5.1pp	34.2%	19.2pp

* Adjusted for consolidation and FX effects.

Reach Based Marketing: Organic revenue growth of 15.6%

in €m	Reach Based Marketing				Performance Marketing			
	2016	yoy	Q4/16	yoy	2016	yoy	Q4/16	yoy
Revenues	288.7	-3.2%	84.7	9.4%	567.4	-2.3%	160.8	-4.8%
<i>organic growth*</i>		15.6%		19.6%		4.2%		4.2%
Advertising	242.7	16.4%	73.2	16.5%	504.7	-2.3%	144.8	-2.5%
Other	46.0	-48.7%	11.4	-21.1%	62.7	-2.4%	16.0	-21.5%
EBITDA**	65.5	-11.1%	18.7	1.7%	25.5	1.9%	8.4	-1.1%
<i>Margin</i>	<i>22.7%</i>	<i>-2.0pp</i>	<i>22.1%</i>	<i>-1.7pp</i>	<i>4.5%</i>	<i>0.2pp</i>	<i>5.2%</i>	<i>0.2pp</i>
Restructuring Exp.	0.7	-0.5	0.4	-0.2	0.1	-0.3	0.0	0.0
Launch Costs	17.8	2.7	4.1	-0.4	0.0	0.0	0.0	0.0
EBITDA ex. Restr./LC	84.0	-6.6%	23.2	-1.3%	25.6	0.5%	8.4	-1.2%
<i>Margin</i>	<i>29.1%</i>	<i>-1.1pp</i>	<i>27.4%</i>	<i>-3.0pp</i>	<i>4.5%</i>	<i>0.1pp</i>	<i>5.2%</i>	<i>0.2pp</i>

* Adjusted for consolidation and FX effects.

** Total EBITDA includes costs of €8.7m in FY16 and €10.6m in FY15 (thereof business development, M&A and other), not allocated to the two pillars.

Organic revenue development digital media

yoy	FY16	Q4/16	Q3/16	Q2/16	Q1/16	FY15	FY14
Classified Ad Models	12.5%	13.9%	12.0%	10.2%	13.8%	12.4%	9.8%
<i>Jobs</i>	17.6%	20.3%	16.4%	17.5%	15.9%	21.2%	13.5%
<i>Real Estate</i>	6.3%	9.8%	8.1%	2.3%	4.0%	4.8%	6.0%
<i>General/Other</i>	9.7%	4.5%	7.7%	4.3%	21.6%	4.0%	9.8%
Paid Models	14.7%	10.4%	17.6%	15.1%	18.0%	3.2%	8.4%
<i>National</i>	17.4%	14.3%	21.3%	15.5%	20.0%	0.8%	11.5%
<i>International</i>	9.4%	4.2%	10.2%	14.2%	13.1%	8.2%	4.2%
Marketing Models	7.5%	8.9%	4.9%	10.0%	6.1%	9.2%	6.2%
<i>Reach Based</i>	15.6%	19.6%	12.0%	15.2%	14.5%	13.6%	7.8%
<i>Performance Based</i>	4.2%	4.2%	1.9%	7.7%	3.1%	7.7%	5.3%

Pro forma revenue development digital media

yoy	FY16	Q4/16	Q3/16	Q2/16	Q1/16
Classified Ad Models	10.0%	10.9%	9.3%	9.2%	10.5%
<i>Jobs</i>	12.9%	14.4%	10.3%	13.0%	13.8%
<i>Real Estate</i>	7.9%	9.8%	8.9%	5.9%	6.9%
<i>General/Other</i>	7.5%	5.5%	7.9%	6.8%	9.4%
Paid Models	13.2%	11.2%	15.9%	11.4%	15.1%
<i>National</i>	17.8%	14.8%	21.7%	15.9%	20.0%
<i>International</i>	7.9%	7.0%	9.5%	6.2%	9.5%
Marketing Models	2.8%	1.8%	-1.1%	6.2%	4.7%
<i>Reach Based</i>	14.8%	17.4%	12.3%	14.5%	14.4%
<i>Performance Based</i>	-2.3%	-4.8%	-6.6%	2.4%	0.7%

26% of revenues exposed to FX changes in FY16

Share of revenues with FX exposure

Total

thereof GBP

PLN

USD

	Axel Springer	Classified Ad Models	Paid Models	Marketing Models
Total	25.6%	20.9%	19.6%	42.9%
thereof GBP	12.5%	13.9%	0.0%	33.7%
PLN	4.4%	0.0%	9.7%	0.0%
USD	3.6%	0.0%	4.3%	6.3%

— FX effects (in €m)

Revenues EBITDA



Investor Relations contacts

Claudia Thomé

Co-Head of Investor Relations

Phone: +49 30 2591 77421

Mobile: +49 160 90445035

claudia.thome@axelspringer.de

Daniel Fard-Yazdani

Co-Head of Investor Relations

Phone: +49 30 2591 77425

Mobile: +49 151 52844459

daniel.fard-yazdani@axelspringer.de

Axel Springer SE: Axel-Springer-Str. 65, 10888 Berlin, Germany, Fax: +49 30 2591 77422