



OVAB cooperation partner Switzerland:



OVAB cooperation partner Italy:



OVAB Europe

Digital Signage Business Climate Index September / October 2013

Germany | Austria | Switzerland

19th September 2013

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DBCI September/October 2013

EXECUTIVE SUMMARY

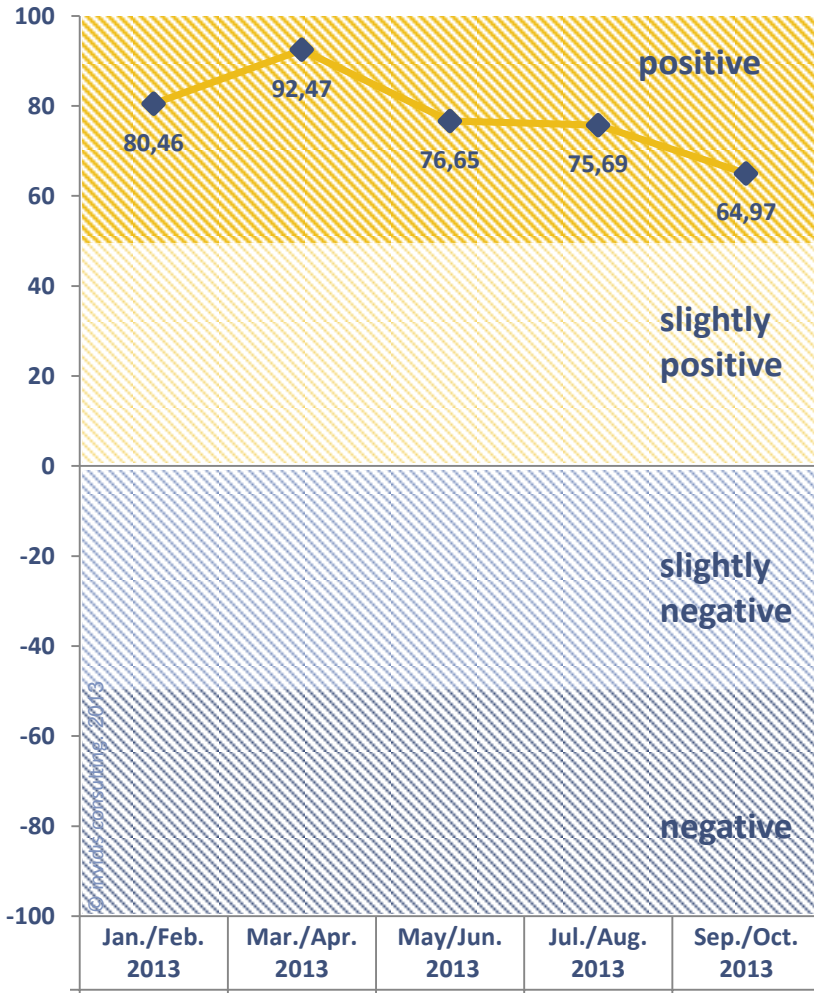


Fig. 1: DBCI September/October 2013 „Index“, n=115

- The business sentiment in September and October has declined slightly compared to the months July and August. Nevertheless it still remains on a high overall level, with significantly better expectations for the next six months
- The Digital Signage Business Climate Index – DBCI – fell by 10,72 points from 75,69 to 64,97 points since the last survey in July
- The slight downturn can be explained by an increase of the evaluation of the current business situation as “poor” by 3,7%. In contrast the positive expectations for the next six months are increasing by 6,1%.
- The weaker index performance can be traced back to general slowing factors in the economy during the summer.

Additional Invidis intelligence

- 75% of all polled companies state that the revenues in the first half year term of 2013 have grown compared to the same period in 2012
- Asked for their expectations for the YoY growth 2012/2013 even 84% of all companies expect slight to very strong growth

- Participants: n=115
- Region: Germany, Austria, Switzerland
- Time frame: 2013 calendar weeks 35-36

status quo | DE-AT-CH 2013 © invidis consulting. 2013

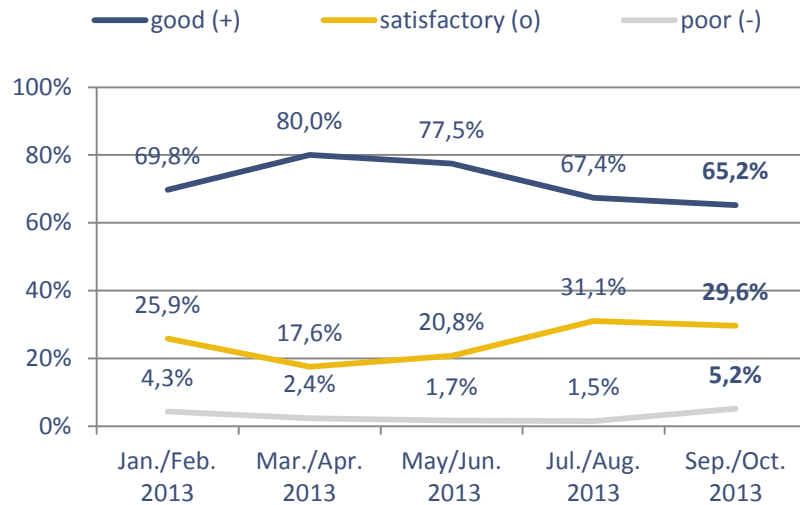


Fig. 2: DBCI September/October 2013 „business situation“, n=115

“How do you rate the current business situation for your products / services in the field of Digital Signage?”

- The business sentiment in the Digital Signage industry in Germany, Austria and Switzerland remains on a stable high since the beginning of 2013
- Currently **65%** of all polled companies rate their business situation for their products and services as „good“

expectations | DE-AT-CH 2013 © invidis consulting. 2013

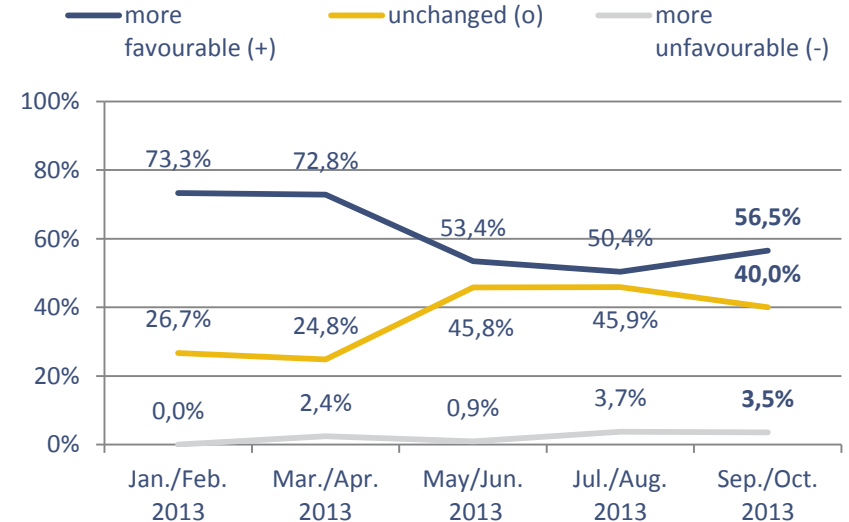


Fig. 3: DBCI September/October 2013 „business expectations“, n=115

“What are your expectations for the next six months?”

- The business expectations for the next six months are continuously positive and show an optimistic trend for the next six months
- **56%** of all polled companies are convinced that the good business situation will improve even further and grow “more favorable”

DBCI September/October 2013

COUNTRIES

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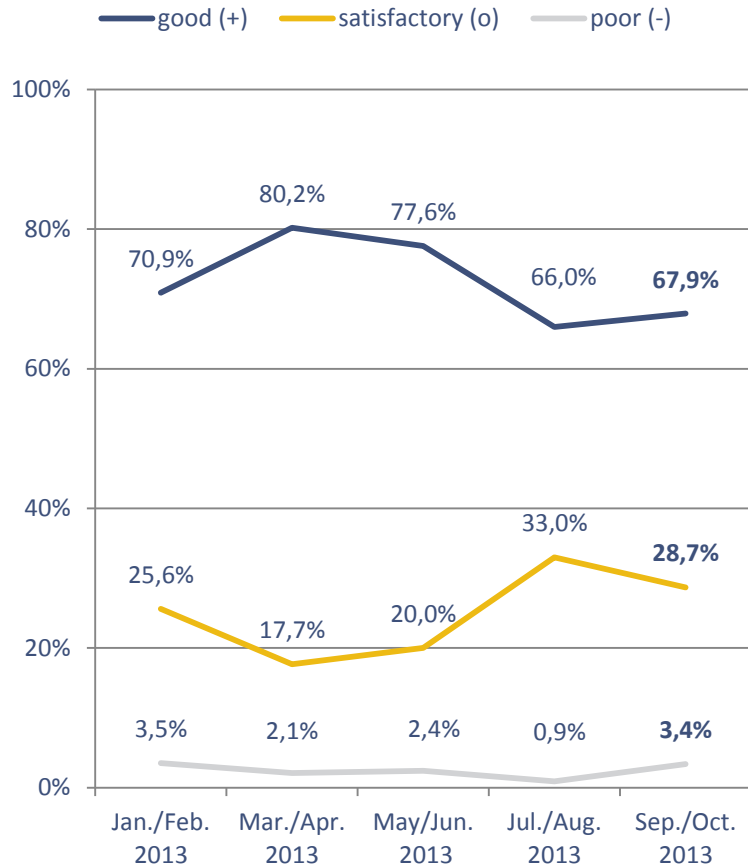


Fig. 4: DBCI September/October 2013 „business situation“, n=87

expectations © invidis consulting, 2013

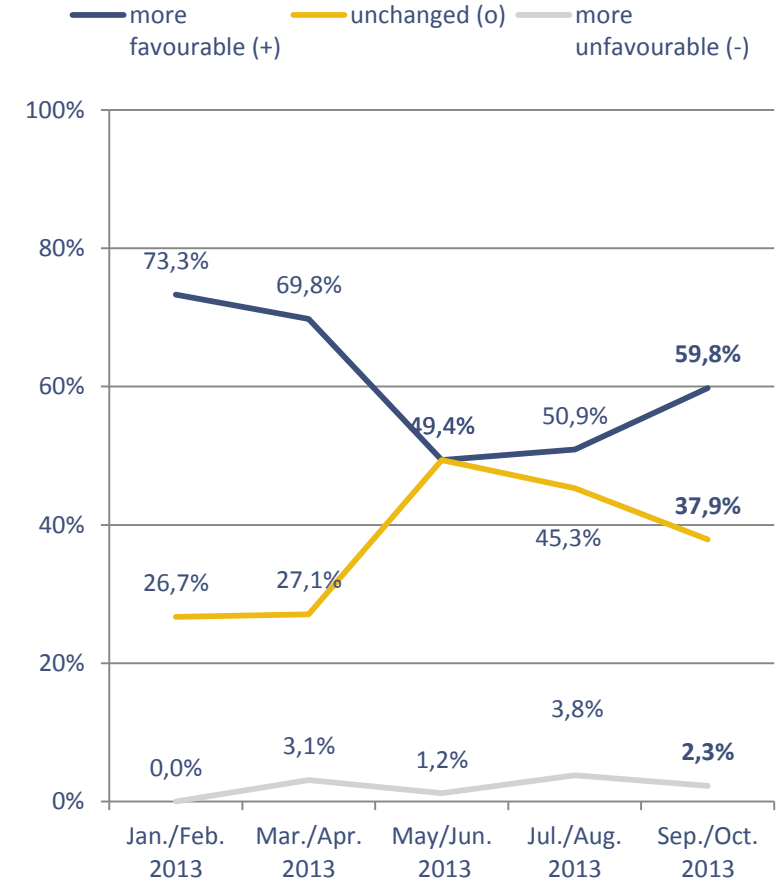


Fig. 5: DBCI September/October 2013 „business expectations“, n=87

Austria | DS economy is losing its dynamic in the second half of 2013

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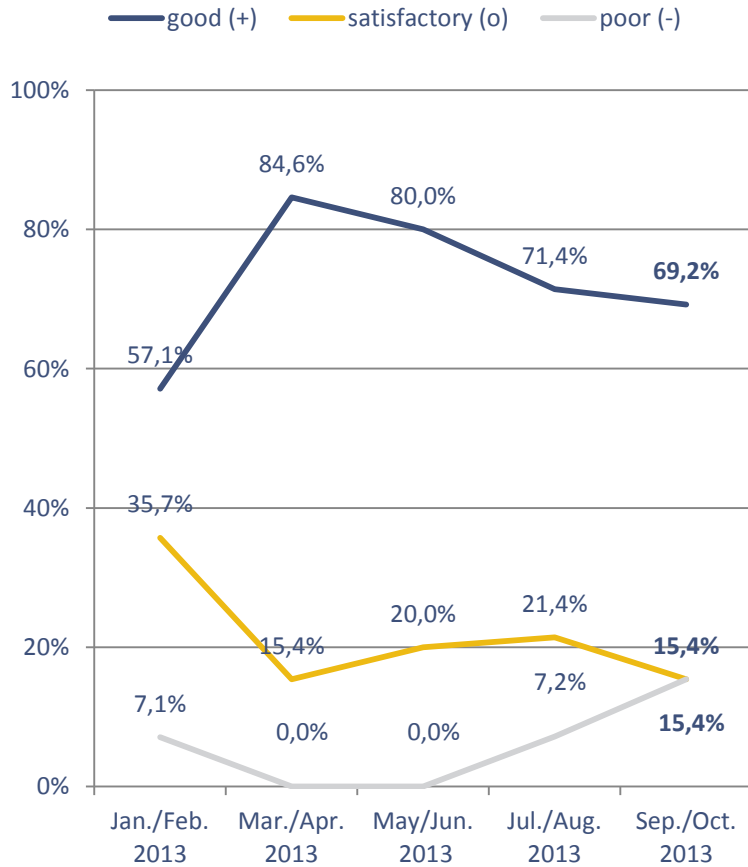


Fig. 6: DBCI September/October 2013 „business situation“, n=13

expectations © invidis consulting, 2013

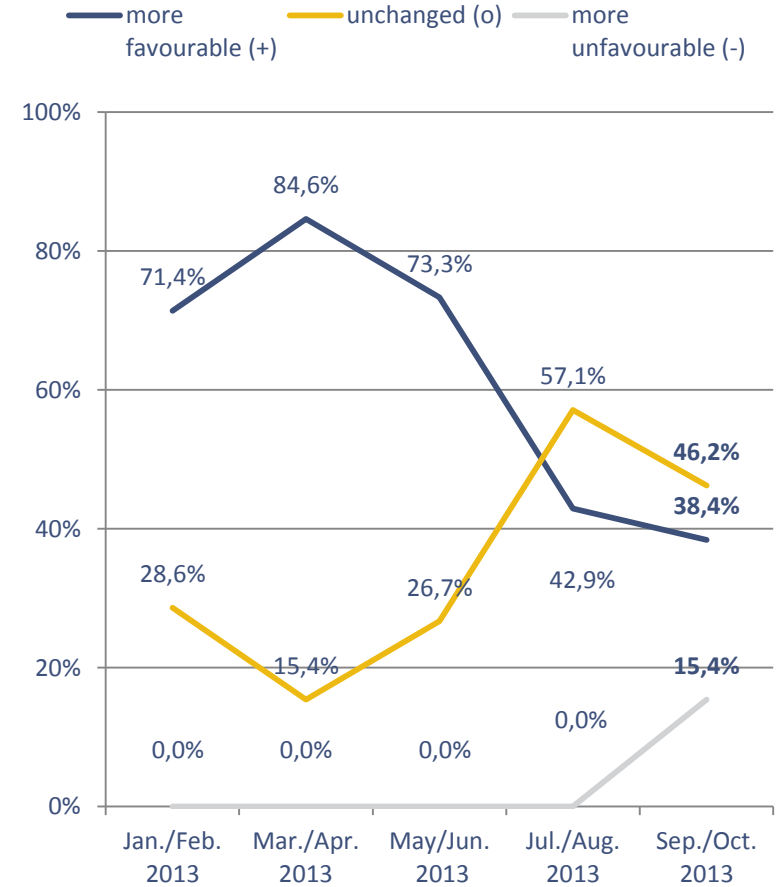


Fig. 7: DBCI September/October 2013 „business expectations“, n=13



Fig. 8: DBCI September/October 2013 „business situation“, n=15

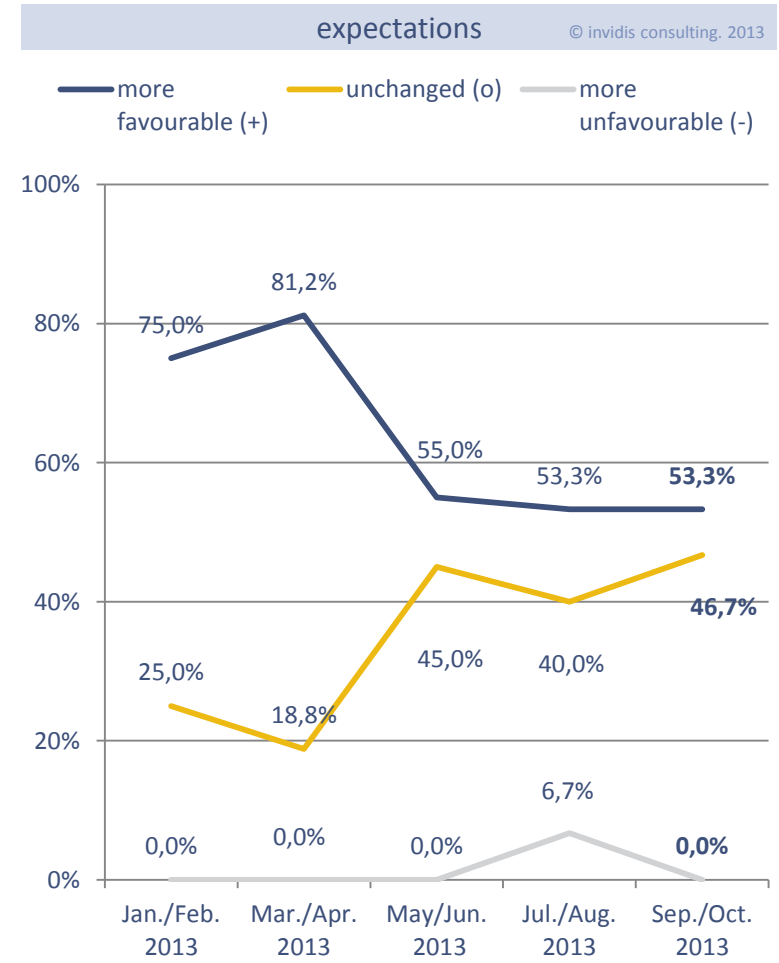


Fig. 9: DBCI September/October 2013 „business expectations“, n=15

Italy | Considerable improvements of the business situation expected

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Fig. 10: DBCI September/October 2013 „business situation“, n=26

expectations © invidis consulting, 2013

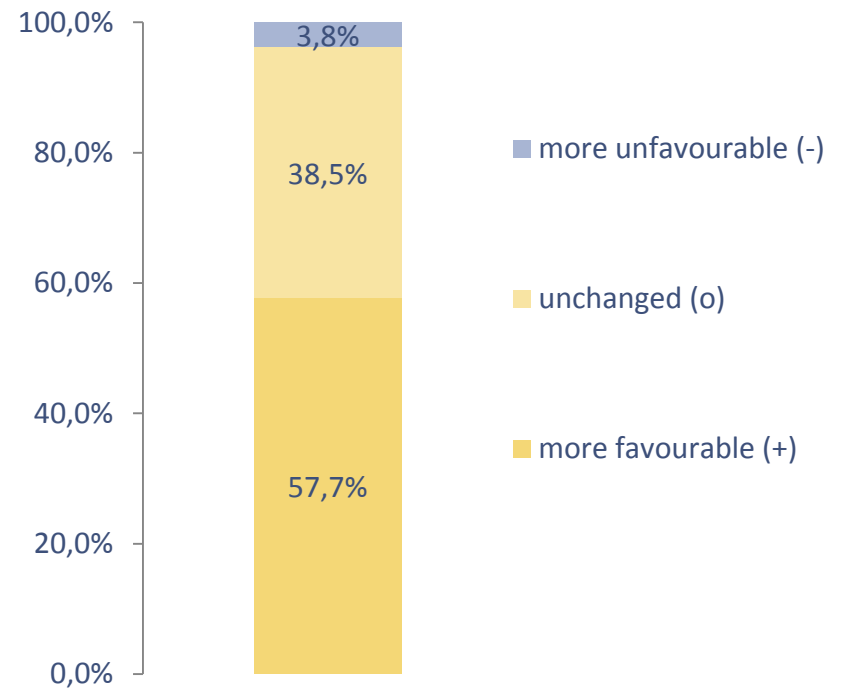


Fig. 11: DBCI September/October 2013 „business expectations“, n=26

- In cooperation with the industry association AssoDS the DBCI was polled for the first time in Italy
- Comparably to the general economy, the Digital Signage market is still in crisis. 65,4% of the polled companies rate their current business situation as “poor”
- In contrast the expectations for the next six months are considerably more positive and 57,7% of all polled companies see the situation to be “more favourable”

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SEGMENTS

Segments | Integrators and display suppliers with growing expectations

- After a continuous decline of the good business expectations in the segments displays and integrators, a much more positive sentiment can be registered in the autumn 2013. The good expectations rise by **20%** respectively **6%**
- In contrast to the positive business sentiment in the segments displays and integrators, the software vendors are rating the current business situation considerably lower as in the last poll in July. Therefore the rating drops by **17%**
- This can be traced to the partly declining revenues in the first half year periode.¹⁾ At the same time all segments that had answered with “good” by over 90% at one point, have dropped in their rating of the business situation dramatically in the following polls

1) S. 18

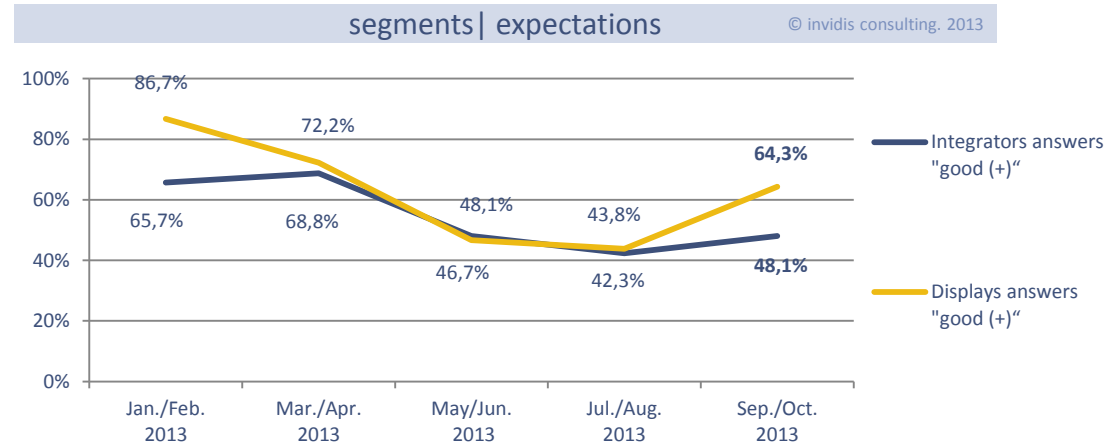


Fig. 12: DBCI September/October 2013 “business expectations Displays/Integrators”, n=14/27

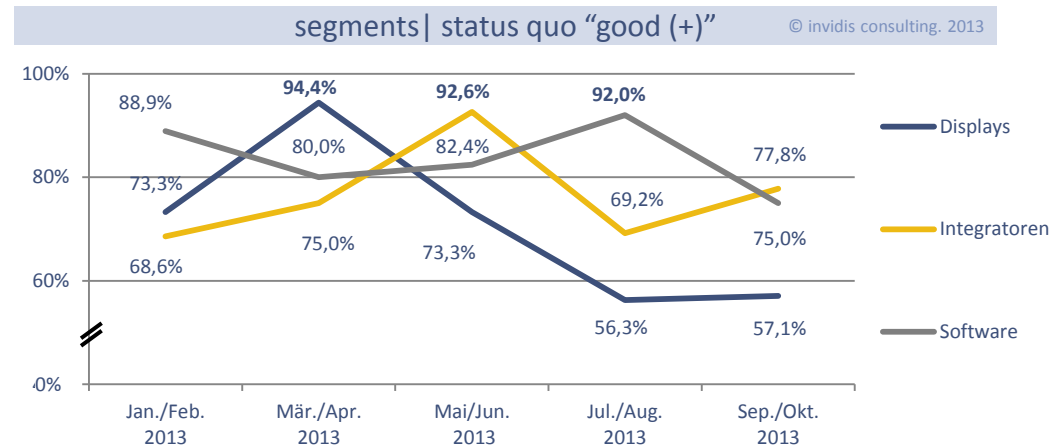


Fig. 13: DBCI September/October 2013 “business situation Displays/Integrators/Software”, n=10/14/27

DooH | Continuation of positive trend for 2nd half year expected

- The business situation in the segment DooH is very stable. **60%** of the polled companies answer with „good“
- The expectations for the next six months are **improving** compared to the poll in July by **4,8%**
- The revenues of selected companies from the segment DooH have dramatically grown in the first half of 2013. Nielsen reports almost 50% growth compared to the same period in the previous year¹⁾
- The results of the additional questions of the current DBCI are somewhat more cautious. Still ¼ of the companies have generated more than 10% growth ²⁾
- The big network owners lead this trend (Ströer +14% Transport Germany; JCDecaux +21% DooH worldwide)³⁾

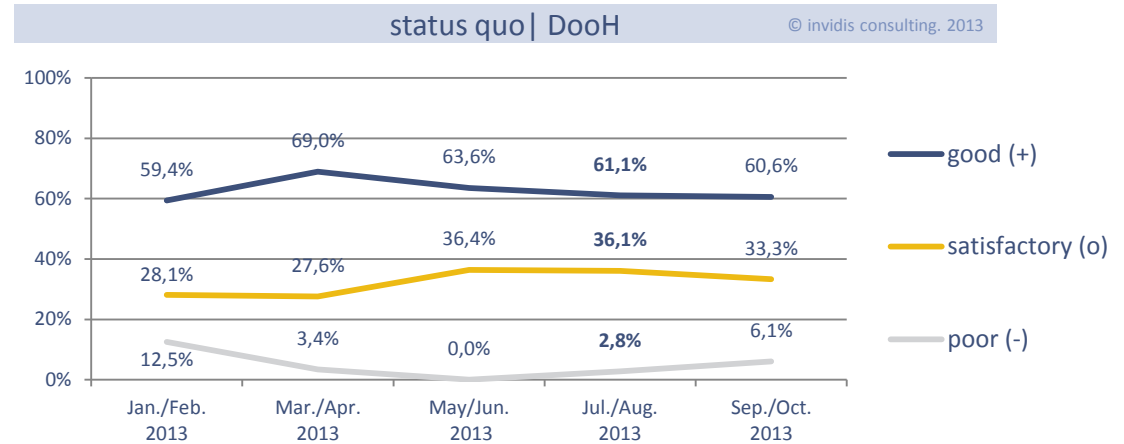


Fig. 14: DBCI September/October 2013 "business situation", n=33

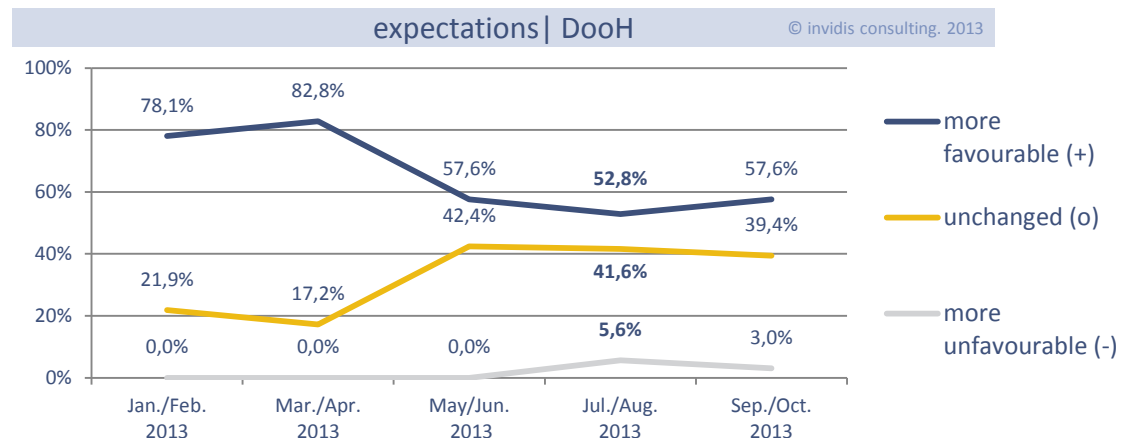


Fig. 15: DBCI September/October 2013 "business expectations", n=33

DBCI September/October 2013

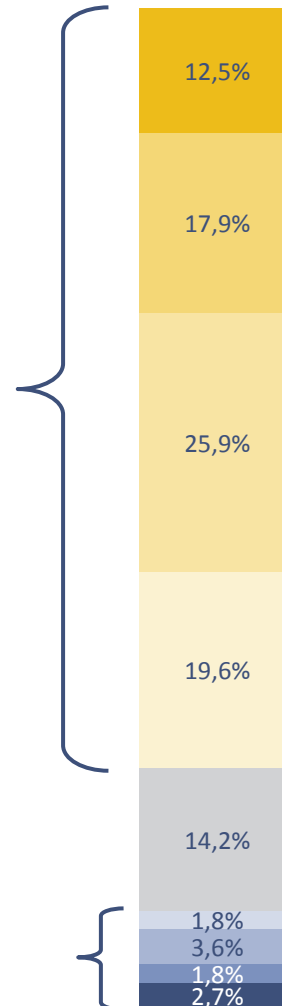
ADDITIONAL QUESTIONS

Additional Questions | H1 revenues considerably higher than 2012

“The revenues in the first half year 2013 have ... in comparison to the revenues of the same period in the previous year.”

75,9% of all polled companies could generate in parts a clear **increase** in **revenues** in the first half year term in 2013 compared to the same period in the previous year

Only 9,9% of all polled companies had to accept a **decrease** in **revenues** compared to the previous year



Legend

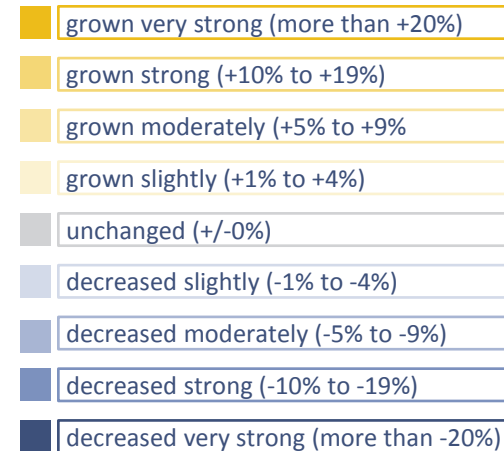


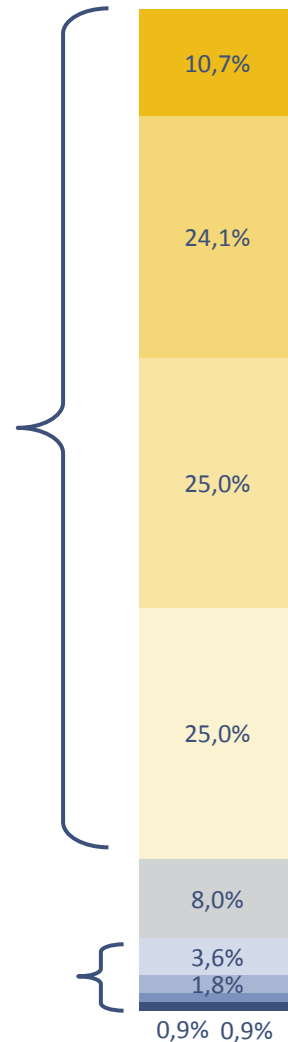
Fig. 16: DBCI September/October 2013 “revenues H1 2012-2013”, n=112

Additional Questions | Clear increase in revenues expected for 2013

“The revenues in 2013 will ... compared to the revenues in 2012.”

84,8% of all polled companies are expecting a healthy **growth** in **revenues** for the year 2013 compared with the previous year

Only 7,2% of all polled companies expect a **decrease** in **revenues** compared to the pervious year

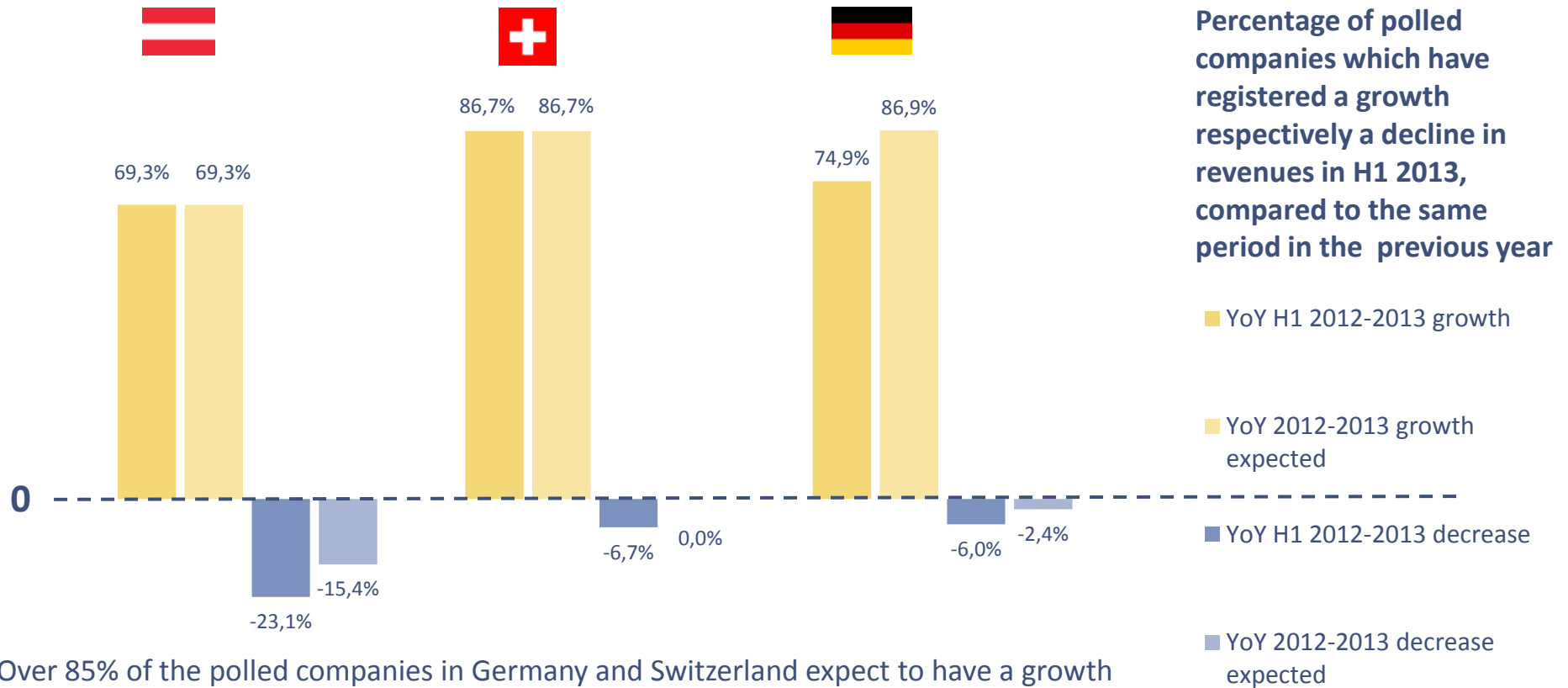


Legend

- grow very strong (more than +20%)
- grow strong (+10% to +19%)
- grow moderately (+5% to +9%)
- grow slightly(+1% to +4%)
- stay unchanged (+/-0%)
- decrease slightly (-1% to -4%)
- decrease moderately (-5% to -9%)
- decrease strong (-10% to -19%)
- decrease very strong (more than-20%)

Fig. 17: DBCI September/October 2013
“expectation revenues YoY 2012-2013”, n=112

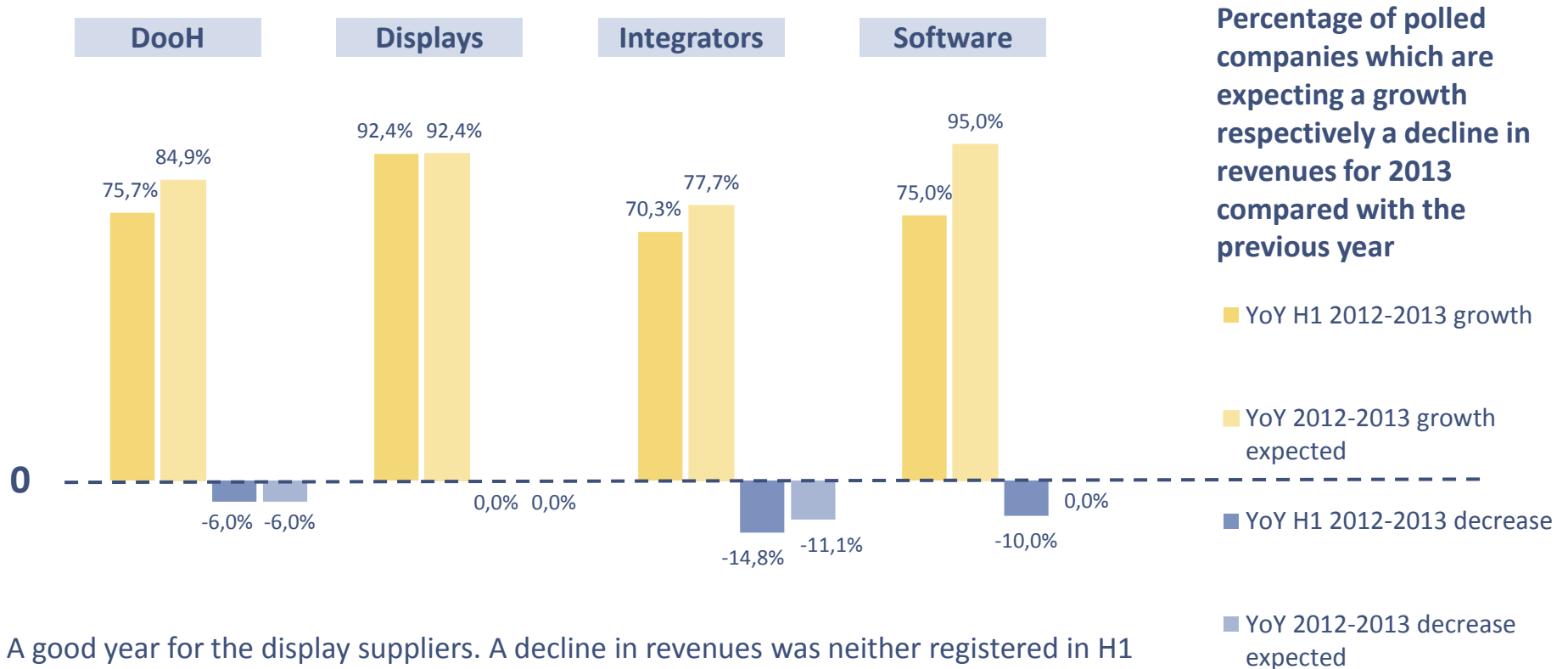
Additional Questions | H1 losses expected to contained in H2



- Over 85% of the polled companies in Germany and Switzerland expect to have a growth in revenues in 2013 compared to 2012
- Many companies that had to accept a decline in revenues in H1 of 2013 are expecting to balance the losses at the end of H2
- Traditionally the IT business has a relative calm period in the summer, followed by a strong showing towards the end of the year

Fig. 18: DBCI September/October 2013 "revenues YoY H1 2012-2013 and YoY 2012-2013 (countries)", n=13,15,84

Additional Questions | Displays/software expect profits - without exception



- A good year for the display suppliers. A decline in revenues was neither registered in H1 2013, nor is a decline expected for H2. Over 90% of all polled companies could even grow substantial in 2013. The further very upbeat general economy increasingly makes budgets for DS projects available
- Because of the dynamic in the market and in spite of some losses in H1 2013 the software vendors expect to balance all losses at the end of the year and even convert them in growth, as 95% of the polled companies expect growing revenues for 2013

Fig. 19: DBCI September/October 2013 "revenues YoY H1 2012-2013 and YoY 2012-2013 (segments)", n=33,14,27,20

2013
January
February
March
April
Mai
Jun
July
August
September
Oktober
November
December

← **Nov./Dec. 2013 | 18.11.**

- The next survey will take place in calendar week 44 to 45 of 2013
- The next planned publication date will be the 18th of November 2013
- The DBCI is polled by invidis consulting and published in cooperation with OVAB Europe
- If you are not yet part of the DBCI survey please contact us for further information
- The DBCI will be extended to other markets in 2013. For further information please contact Daniel Russell

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