Germany
Austria
Switzerland
July | August 2016

DBCI

Digital Signage & DooH
Business Climate Index

The pulse of the Digital Signage and DooH industry

DSF Europe cooperation partner Switzerland:

invidis research
2016 DE 400 en

Index | Enhanced Digital Signage business sentiment for the summer

Fig. 1: DBCI July | August 2016 „Index DE-AT-CH" rolling 12 months, n=106

- The Digital Signage Business Climate Index has increased by 3,90 base points from 54,65 points to 58,55 base points. In total the Index is up by 14,9% year-on-year and 7,1% compared to the previous survey.
- The current business situation shows a more conservative sentiment - with satisfactory ratings reaching over 30%
- Primarily the outlook towards the near future registered a positive increase. Now more then half of the surveyed companies are expecting a *more favourable* business situation for their products and services in the next six months.

Further Research

- Well over 80% of the polled companies in Germany, Austria and Switzerland expect growing revenues in 2016. Still 11% of the market participants recorded a decline in revenues in the first two quarters of 2016. However some of those companies are expecting to balance out the losses at the end of the year.
- The market is not overly concerned by the prospect of an economic fallout due to the Brexit vote in Great Britain

	year-on-year	*previous survey*
Change DBCI 2016 #4	**+14,9%**	**+7,1%**

Participants: n=106; Region: DE/AT/CH; Survey Period: 2016 calendar weeks 28-29

Index | Robust current business situation and more promising outlook

Current business situation| DE-AT-CH | July/August 2016

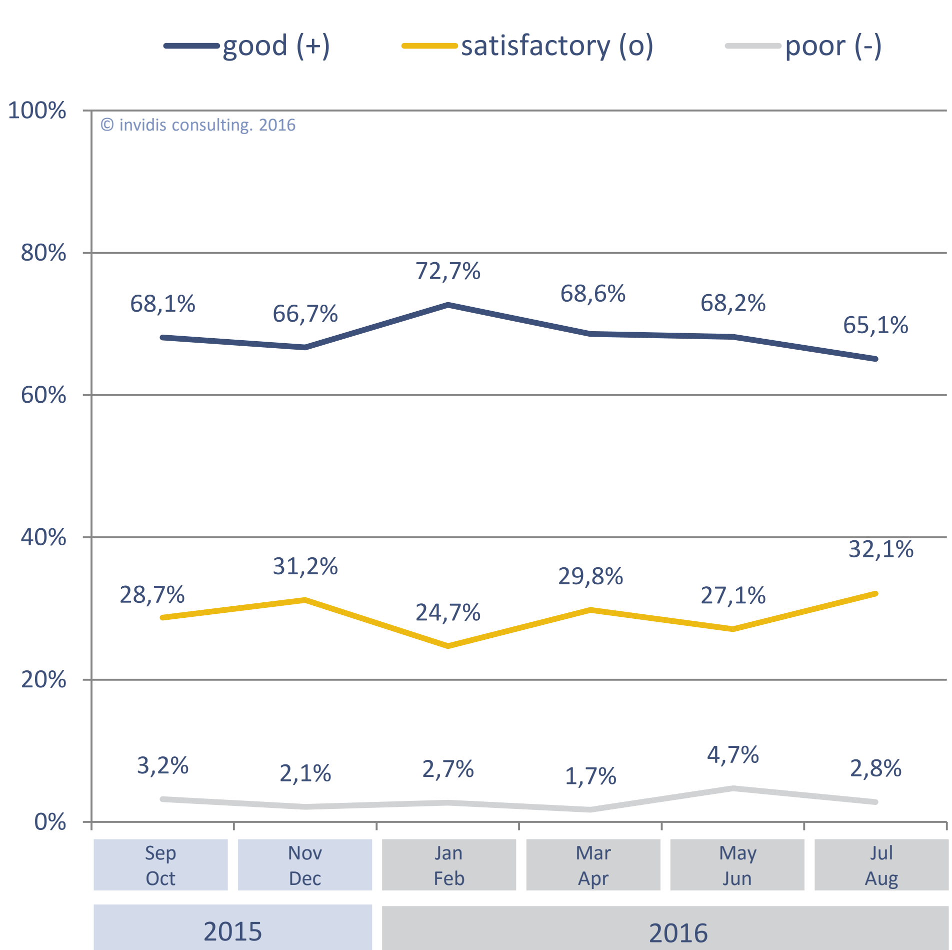


Fig. 2: DBCI July | August 2016 „Business Situation DE-AT-CH" rolling 12 months, n=106

Expectations | DE-AT-CH | July/August 2016

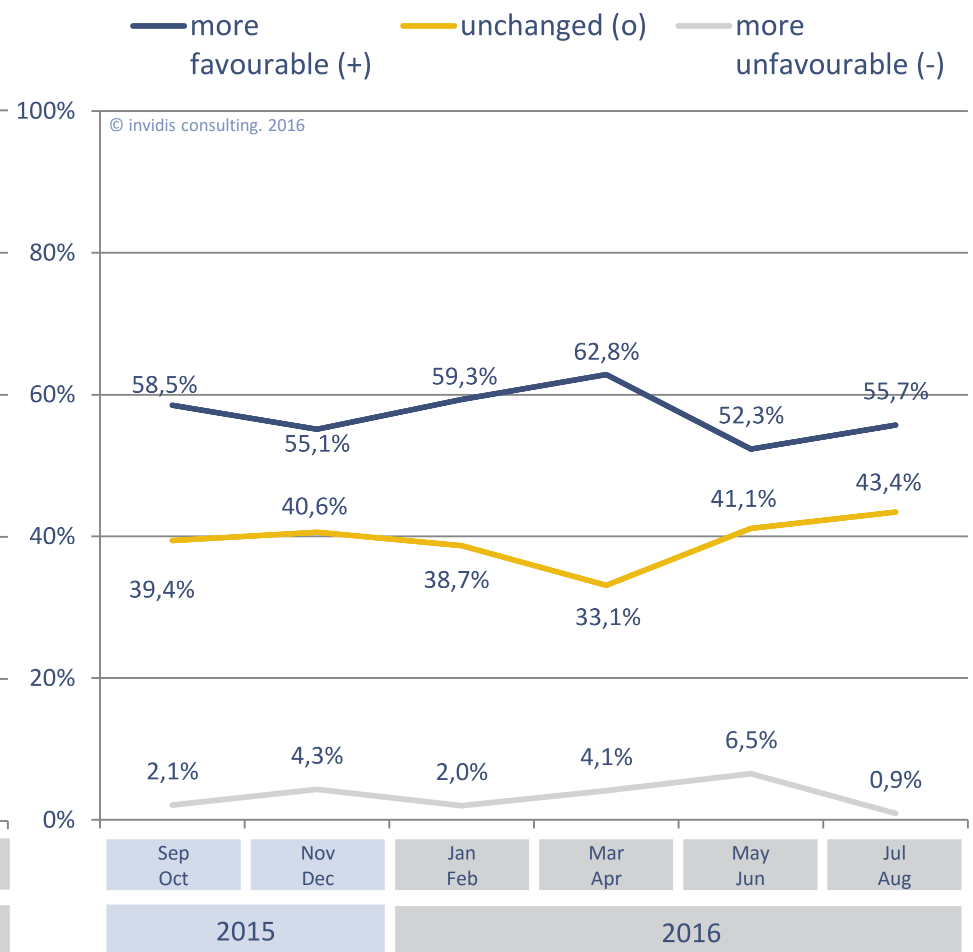


Fig. 3: DBCI July | August 2016 „Expectations DE-AT-CH" rolling 12 months, n=106

Countries | DACH region with positive trend in the business sentiment

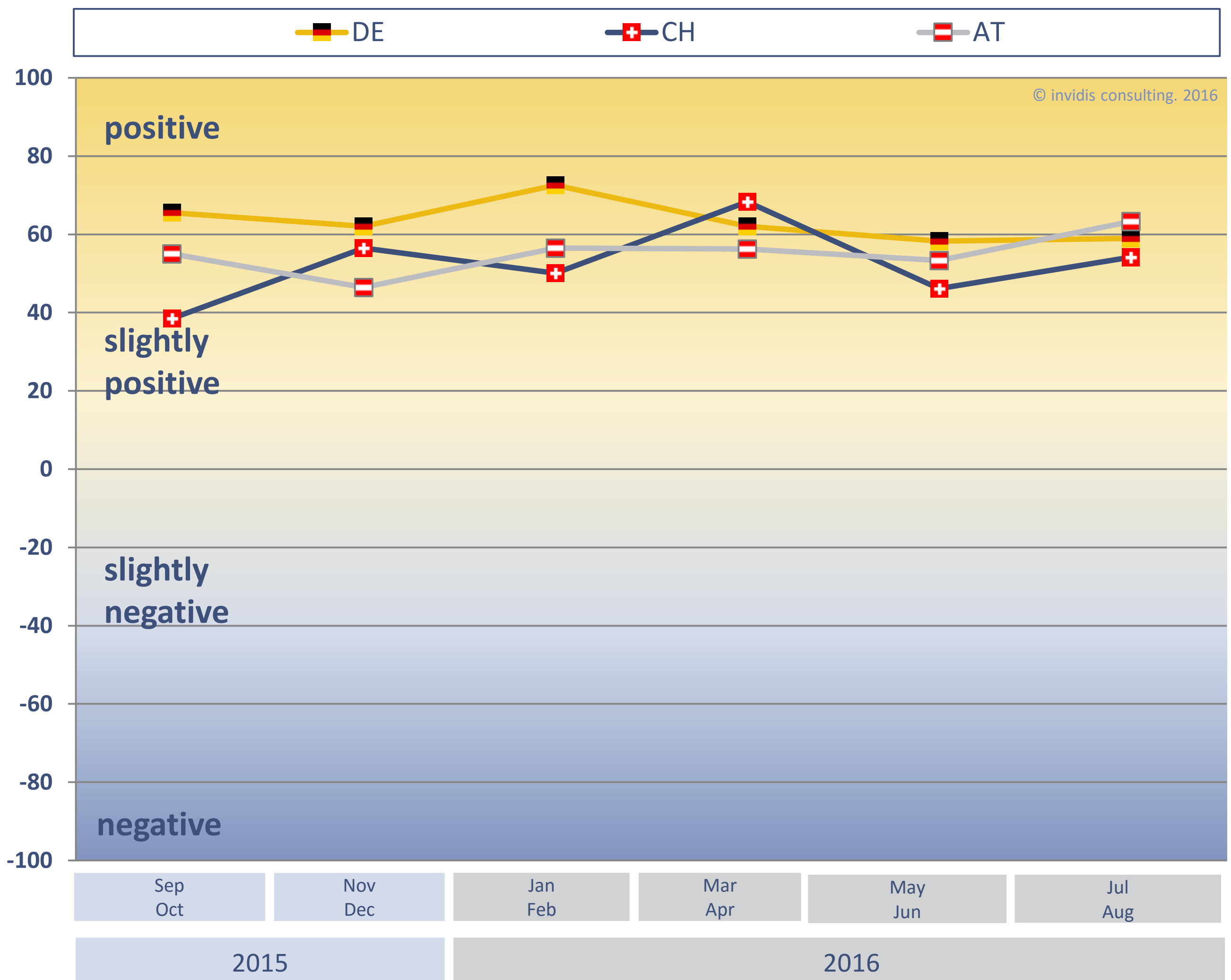


Fig. 4: DBCI July | August 2016 „Index DE-AT-CH" rolling 12 months, n=DE 67, CH 24, AT 15

	year-on-year	*previous survey*
Germany	+9,3%	+1,1%
Austria	+75,8%	+17,3%
Switzerland	+14,0%	+18,8%

Fig. 5: DBCI July | August 2016 „countries DE-AT-CH" YoY and last survey, n=DE 67, CH 24, AT 15

Segments | Overall good business development in all industry segments

	year-on-year	*previous survey*
Displays	+110,7%	-17,8%
Integrators	+2,0%	+17,3%
Software	+17,3%	+5,2%
DooH	+7,5%	-5,3%

Fig. 6: DBCI July | August 2016 „Segments DE-AT-CH" YoY and last survey, n=Displays 21, Integrators 29, Software 18, DooH 25

- The business sentiment of **display vendors** remains volatile. However, year-on-year the sentiment shows a healthy growth. The sales performance for professional displays has had subdued success lately. As the first quarter 2016 was up by 2,5% compared to Q4 2015, it was down in respect to the same period in the previous year by almost 7%. Taking into account that the first and last quarter combined have seen almost all the annual growth for the last several years, the market was very slightly up, but basically flat.[1)]
- **System Integrators** have a consistent positive view of the market as almost all surveyed companies record a satisfactory or good current business situation. However, more than half of the polled market participants see no additional growth in the next six months.
- After a rather cautious end of the second quarter in 2016, the positive business climate for **software vendors** has increased again. The year-on-year performance as well as the development relative to the last survey are encouraging and the market expects increasing revenues through dedicated integration with rising customer demand for individual API solutions.
- The **DooH** industry experiences the traditional summer slump in OoH advertising spendings, but it will see an improvement in the fourth quarter. As 60% of all polled companies expect a more favourable business situation within the next six months.

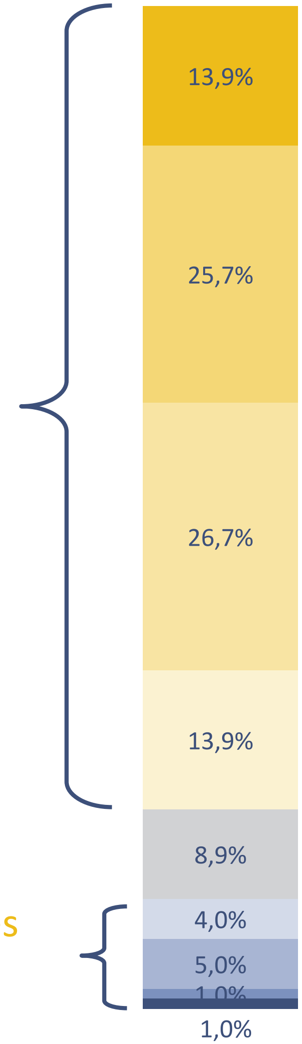
1) Source: Meko

Further research| First semester 2016 with considerably higher revenues than 2015

"The revenues in the first half year 2016 have … in comparison to the revenues of the same period in the previous year."

80,2% of all polled companies could generate in parts a clear increase in revenues in the first half year term in 2016 compared to the same period in the previous year

Only 11,0% of all polled companies had to accept a decrease in revenues compared to the previous year



Legend

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

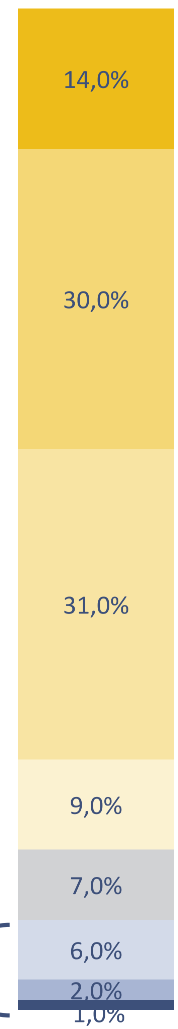
Fig.: 7 DBCI July | August 2016 "revenues H1 2015-2016", n=101

Further research | Clear increase in revenues expected for the full year 2016

"The revenues in 2016 will … compared to the revenues in 2015."

84,0% of all polled companies are expecting a healthy growth in revenues for the year 2016 compared with the previous year

Only 9,0% of all polled companies expect a decrease in revenues compared to the pervious year

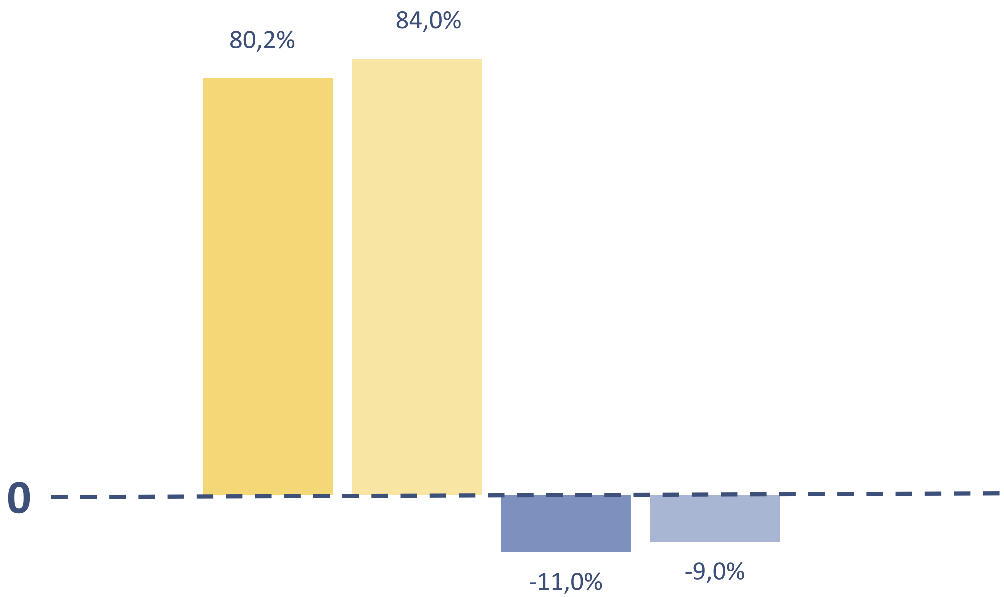


Legend

- 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.: 8 DBCI July | August 2016 "expectation revenues YoY 2015-2016", n=100

Further research | First semester losses expected to be contained later this year



Percentage of polled companies which have registered a growth respectively a decline in revenues in H1 2016, compared to the same period in the previous year

- YoY H1 2015-2016 growth
- YoY 2015-2016 growth expected
- YoY H1 2015-2016 decrease
- YoY 2015-2016 decrease expected

Fig.: 9 DBCI July | August 2016 "revenues YoY H1 2015-2016 and YoY 2015-2016", n=101

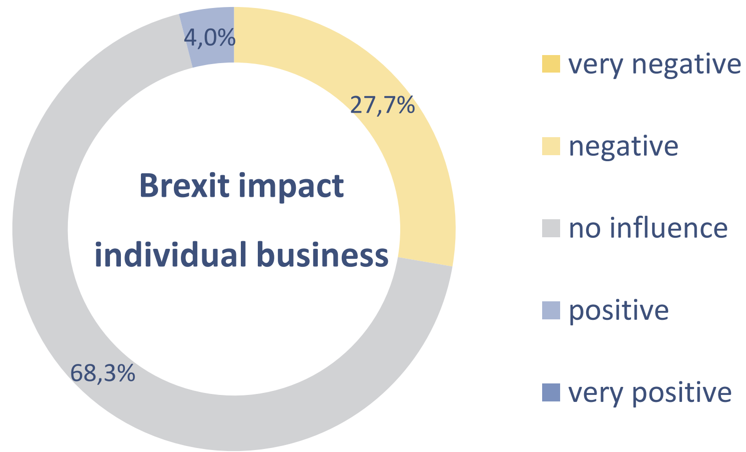
- Over 80% of the polled companies in Germany, Austria and Switzerland expect to have a growth in revenues in 2016 compared to 2015
- Still 11% of all polled companies had to accept a decline in revenues in the first six months of 2016. However many of those companies are expecting to have balanced the losses at the end of the year
- Traditionally the IT business has a relative calm period in the summer, followed by a strong showing towards the end of the year

Further research | Brexit with only limited influence on Digital Signage market in DACH

***Question 1**: How do you expect the Brexit will influence your company/business?*

***Question 2:** How do you expect the Brexit will influence your national Digital Signage and Digital out of Home market?*

- Roughly two thirds of the polled companies are not overly concerned for their business by the prospect of an economic fallout due to the Brexit vote in Great Britain
- The percentage who see no influence is even higher for the assessment of the general Digital Signage and Digital-out-of-Home economy in Germany, Austria and Switzerland
- The industry is still very much concentrated on a local or national region. Most companies have no or only loose business interests in Great Britain.
- Market participants who expect a negative influence are either dependent on exchange rates because of their purchasing policy or have customers respectively close business ties on the islands.



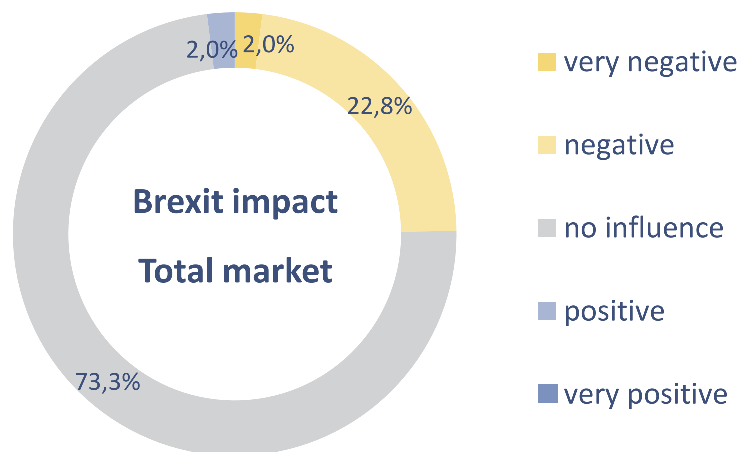


Fig. 10: DBCI July | August 2016 "Brexit", n=101

DBCI | Roadmap 2016 & Contact

2016	
January	
February	
March	
April	
May	
June	
July	
August	
September	Sep./Oct. | 2016/09/26
October	
November	Nov./Dec. | 2016/11/28
December	

OVAB Europe was rebranded as **Digital Signage Federation Europe** starting with the 1st April 2016

- The next survey will take place in calendar weeks 36-37 of 2016. The next planned publication date will be the 26th of September 2016.
- The DBCI is polled by invidis consulting and published in cooperation with DSF 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 2016. For further information please contact Daniel Russell.

invidis consulting
invidis is a renowned boutique consulting and research house based in Munich. Delivering actionable information and advise to customers across EMEA.

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DSS | The Digital Signage Summit series

- «Digital Signage Summit» is the leading event series for digital signage conferences in EMEA and North America
- DSS is a dedicated confex event platform - conference and exhibition - featuring digital signage and DooH topics
- Each event features visionary and best practise presentations as well as panel discussions concerning the most recent state of the art projects, trends and drivers of the industry
- All events also have a dedicated exhibition space for product presentation and networking opportunities

- Join us at one of our upcoming events in
  - South Africa | DSS Africa | 25 October 2016
  - Moscow | DSS Russia | 1-2 November 2016
  - New York City | DSS NYC | 10 November 2016
  - Dubai | DSS MENA | 6-7 December 2016

- More information at digitalsignagesummit.org