

# **Q2'2011 Results Presentation XING AG**



**Dr. Stefan Gross-Selbeck (CEO) & Ingo Chu (CFO)**  
Hamburg, August 10, 2011



Ongoing strong financial performance



Re-acceleration of D-A-CH<sup>1</sup> member growth continues



„Verticals“ contribute 75% to topline growth (yoy)



Big product launch successfully implemented

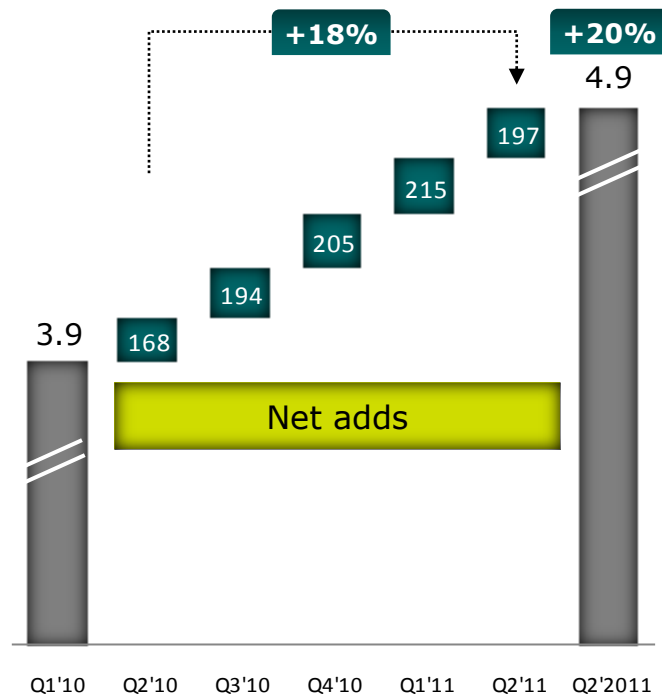
		Q2'2011	Q2'2010	yoy
Subscriptions	€m	11.32	10.51	8%
E-Recruiting	€m	2.81	1.55	81%
Advertising	€m	1.48	0.88	68%
New verticals	€m	0.55	0.01	N.A.
Service revenues	€m	16.17	12.95	25%
Other*	€m	0.17	0.31	-45%
Total revenues	€m	16.33	13.26	23%
EBITDA	€m	5.67	3.74	70%
EBITDA-Margin	%	35	28	7%pts
Net-result	€m	2.37	1.35	76%

\* Other revenue & other operating income

# 04 Growth momentum in core market continues (D-A-CH)

## Member adds (D-A-CH): Accelerating growth

in 000'



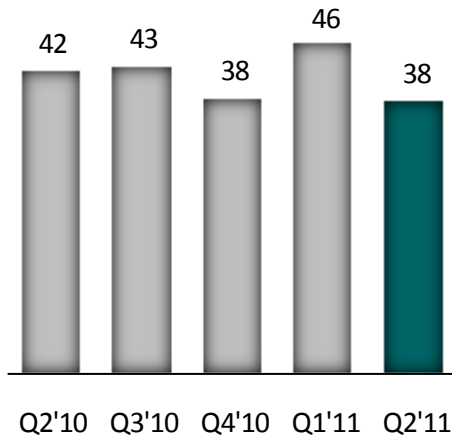
## Comments

- Total member base up 20% (June 11 vs. June 10)
- Q2 impacted by seasonality ...
- ... but growth momentum continues
- Confirming large growth potential: D-A-CH market with significant runway for further growth

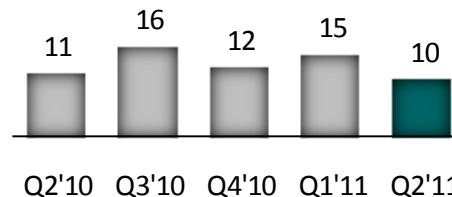
# 03 Payer base growing

10k net adds in Q2'11 despite price increase in April

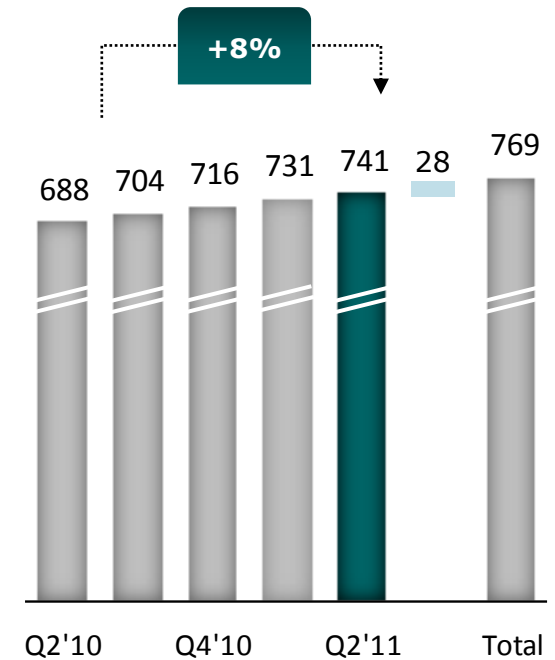
**Payer gross adds  
D-A-CH**  
in 000'



**Payer net adds  
D-A-CH**  
in 000'



**Payer base  
in 000'**



## New pricing structure since April 2011 for all new members

3m = €7.95 (€6.95 for first 3 months → new price after first renewal)

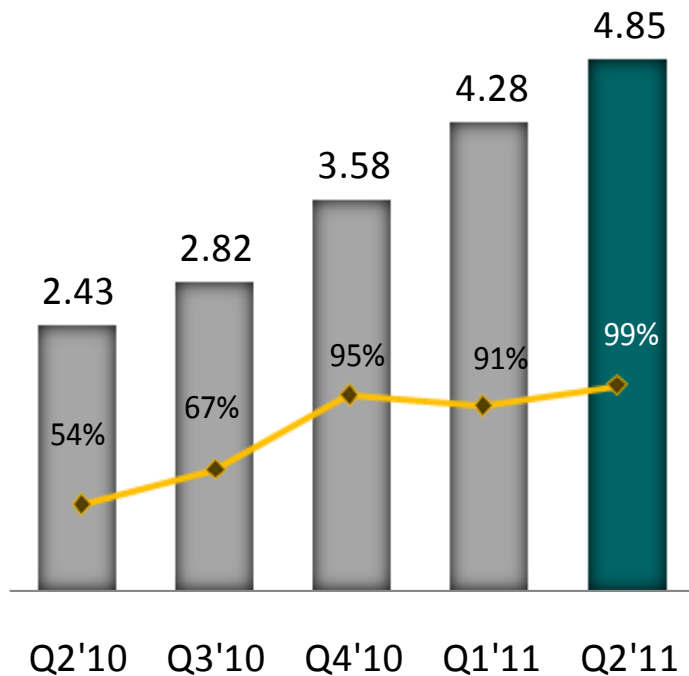
12m = €6.95 (€5.95 for first 12 months → new price after first renewal)

# 03 'Verticals' drive overall growth

with 75% contribution to overall yoy topline growth

## „Verticals“: Continued strong growth

Revenues from “verticals”  
(recruiting, advertising, events & other)  
in €m incl. yoy growth in %



### E-Recruiting

- >400 new B2B customers & 4 additional FTEs (sales)
- Recent study confirms: XING preferred social media channel for corporate recruiting

### Advertising

- Successful introduction of new ad format
- Additional inventory within different site sections (jobs, groups, events & CP's)

### Events

- Amiando integration well on track
- Building sales force (9 new FTE's)
- Deeper platform integration planned for H2

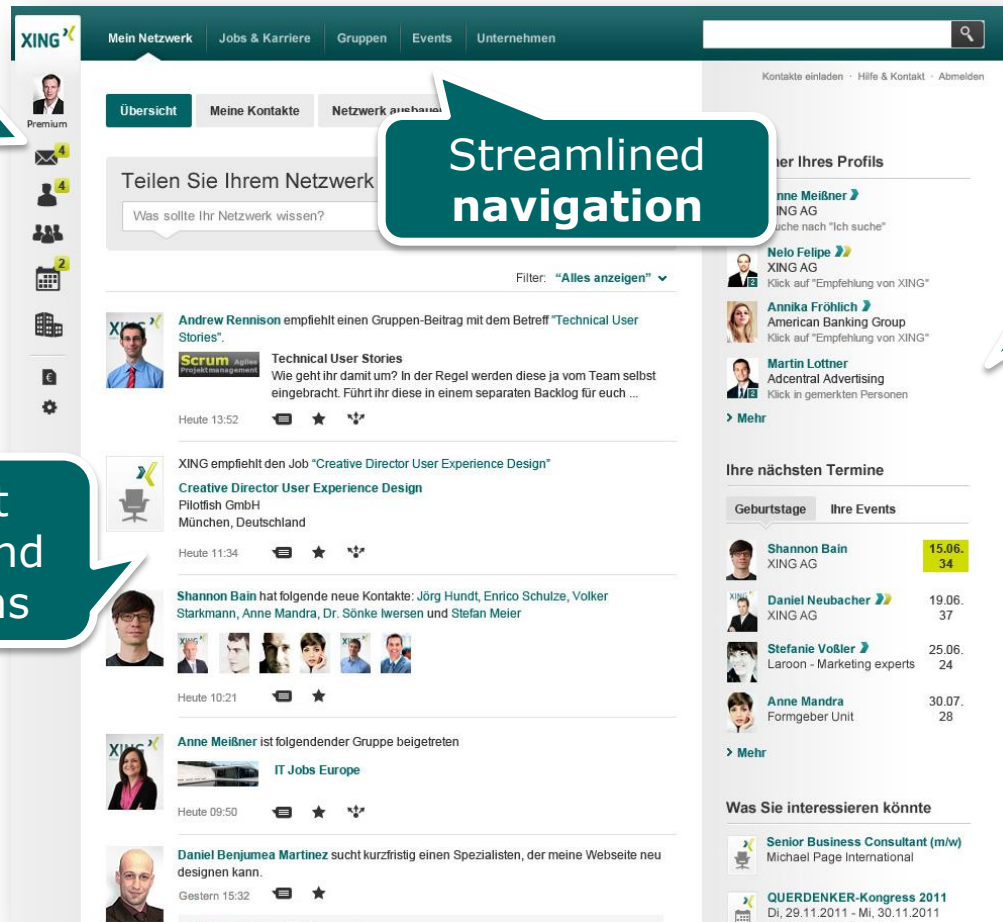
# 04 Big product launch in Q2 – New design, new architecture and more social interaction

**My XING:**  
instant access  
to personal  
content

More prominent  
**network feed** and  
recommendations

**Streamlined  
navigation**

Improved **site  
architecture**:  
Secondary  
options on the  
side



- Strong increase of social activities (e.g., comments & likes)
- traffic on core site sections (groups, events, jobs) up significantly



23% revenue growth from all revenue streams



Continued diversification of revenue base through vertical business



Profitable business with EBITDA of €5.7m & 35% margin



Ongoing investment mode, acceleration in H2



## P&L

in €m

	Q2'11	Q1'11	Q2'11 vs. Q1'11	Q2'10	Q2'11 vs. Q2'10
	Abs.	Abs.		Abs.	
Total revenue <sup>1</sup>	16.3	15.7	+4%	13.3	23%
Costs	(10.6)	(10.0)	(6%)	(9.5)	(12%)
EBITDA	5.7	5.6	+2%	3.7	53%
Margin	35%	36%	-0.1%pt	28%	+7%pt
Depreciation	(2.2)	(1.5)	(50%)	(1.2)	(81%)
Financial result	0.1	0.0	+104%	0.0	231%
Taxes	(1.2)	(1.5)	(19%)	(1.2)	1%
Net result	2.4	2.7	(11%)	1.4	78%

(1) Of revenue

(2) Including other operating income

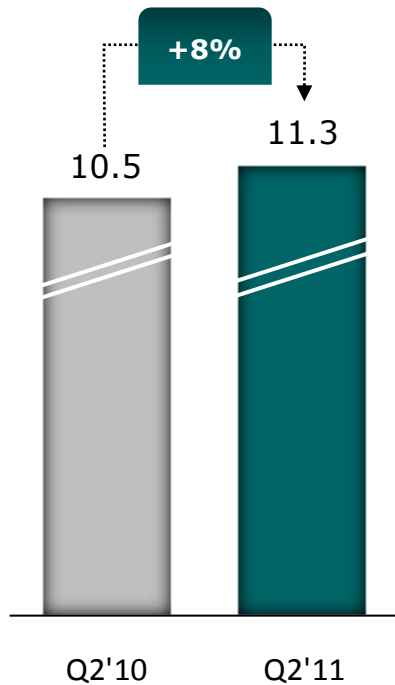


- EBITDA margin impacted by start-up investments in events (-4%-points)
- Depreciation impacted by one-off write-down (-€0.6m)
- Financial result improved through new treasury policy

# 05 Ongoing diversification of revenue streams

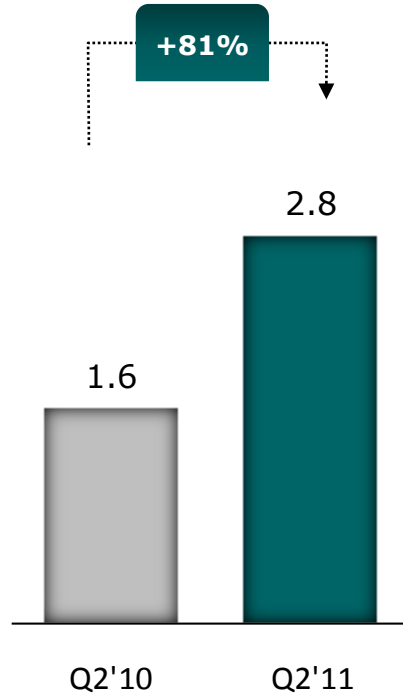
## Core

### „Subscription“ in €m

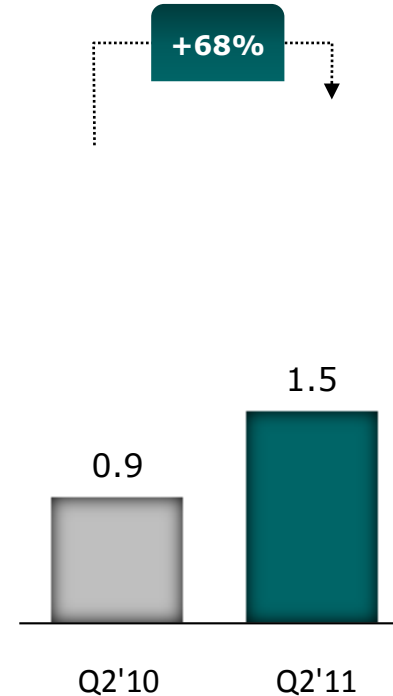


## Verticals

### E-Recruiting in €m



### Advertising (incl. Company Profiles) in €m



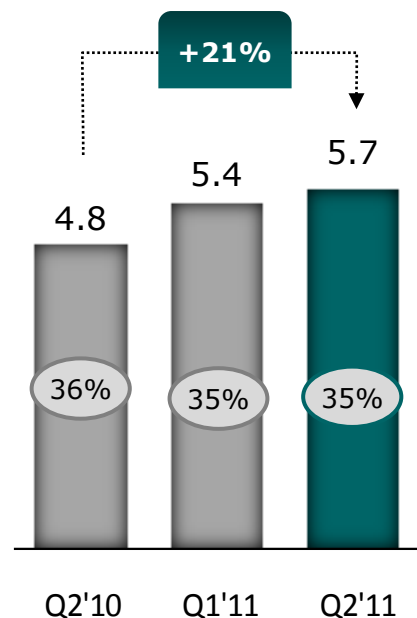
### New Verticals (Events) in €m



# 05 Personnel Expenses Are Main Investment Area To Further Drive Company Growth

## Personnel

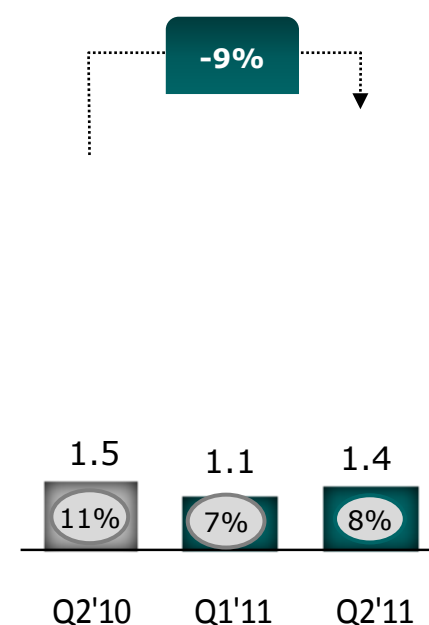
in €m  
in % of total revenue



- Yoy increase due to amiendo acquisition

## Marketing

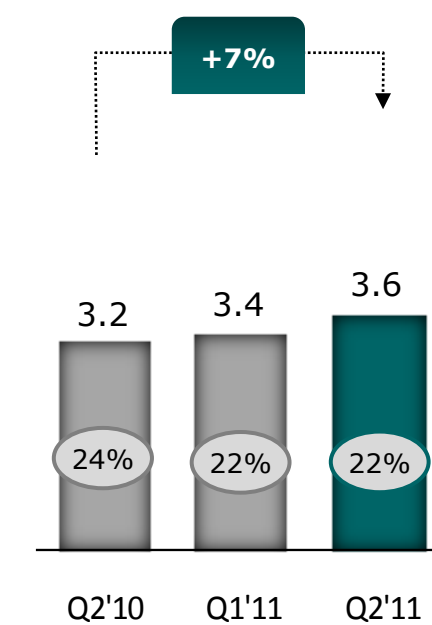
in €m  
in % of total revenue



- Online Display & Social Media Advertising
- Search Engine Advertising
- Offline Marketing spends (Conferences & Events, Print, Sponsorings)

## Other Expenses

in €m  
in % of total revenue



- External Services, Legal, audit & consulting
- Payment processing, Server hosting
- Rent & other costs
- Amiendo

# 05 Operating Cash-flow impacted by one-time tax cash-outs for 2009/2010

	Q2'11	Q1'11	Q2'11 vs. Q1'11	Q2'10	Q2'11 vs. Q2'10
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	5.7	5.6	+0.1	3.3	+2.4
Interest/tax/ESOP	-6.6	+0.0	-6.6	+0.3	-6.9
Δ Net working capital	+0.0	+2.0	-2.0	+5.6	-5.6
<b>Operating cashflow excl. Organizer cash</b>	<b>-0.9</b>	<b>+7.6</b>	<b>-8.5</b>	<b>+9.2</b>	<b>-10.1</b>
Investment – operating	-1.4	-1,1	-0.3	-1.4	+0.0
Investment – acquisitions	0.0	-5,1	+5.1	-0.7	+0.7
Financing incl. transaction of own shares	4.0	0.0	+4.0	0.0	+4.0
<b>Free cashflow excl. organizer cash</b>	<b>+1.7</b>	<b>+1.4</b>	<b>+0.3</b>	<b>+7.1</b>	<b>-5.4</b>
Effects organizer cash	<b>-0.4</b>	<b>+2.5</b>	<b>-2.9</b>		<b>-0.4</b>
<b>Free cashflow incl. organizer cash – reported</b>	<b>+1.3</b>	<b>+3.9</b>	<b>-2.6</b>		<b>+1.3</b>



- One-time tax cash-out for years 2009/2010
- Deferred tax cash-out for Q1 2011
- Cash-in from employees exercising their options (+4m€)

**Thank you**  
**for your attention!**

**POWERING RELATIONSHIPS**  
**WWW.XING.COM**

# XING AG IR stats

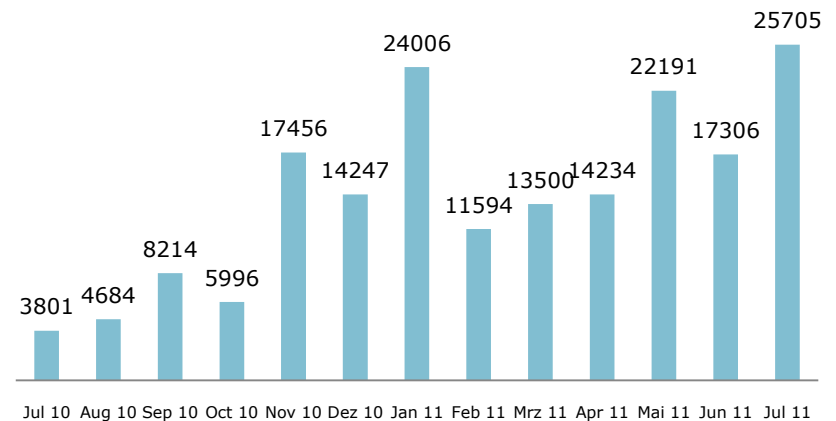
Market cap: ~€240m / ~€63m cash / No debt



Consensus  
(August, 2011)

	2011e	2012e	2013e
<b>Total revenues</b>	<b>65.7</b>	<b>77.3</b>	<b>88.6</b>
<b>EBITDA</b>	<b>20.8</b>	<b>25.6</b>	<b>29.9</b>
<i>Margin</i>	32%	33%	34%
Depreciation	-6.0	-6.9	-7.4
<b>EBIT</b>	<b>14.8</b>	<b>18.7</b>	<b>22.5</b>
<i>Margin</i>	22%	24%	25%
<b>Net income</b>	<b>10.0</b>	<b>12.9</b>	<b>15.7</b>
EPS in €	1.89	2.46	2.98
<b>Free cash flow</b>	<b>7.7</b>	<b>15.1</b>	<b>17.0</b>

## Average Trading Volume per day (XETRA)



## Analyst coverage

Deutsche Bank,  
DZ Bank,  
Hauck & Aufhäuser,  
HSBC,  
Montega AG,  
Close Brothers

## Shares

5,394,172

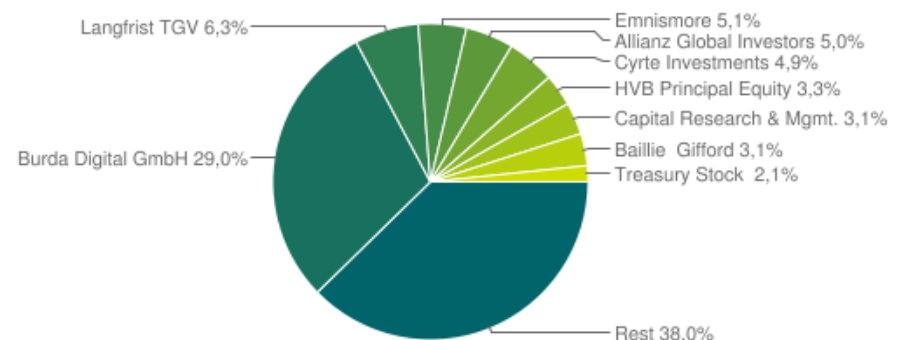
## TecDax ranking end of July 2011

## Market Cap.

27

## Turnover

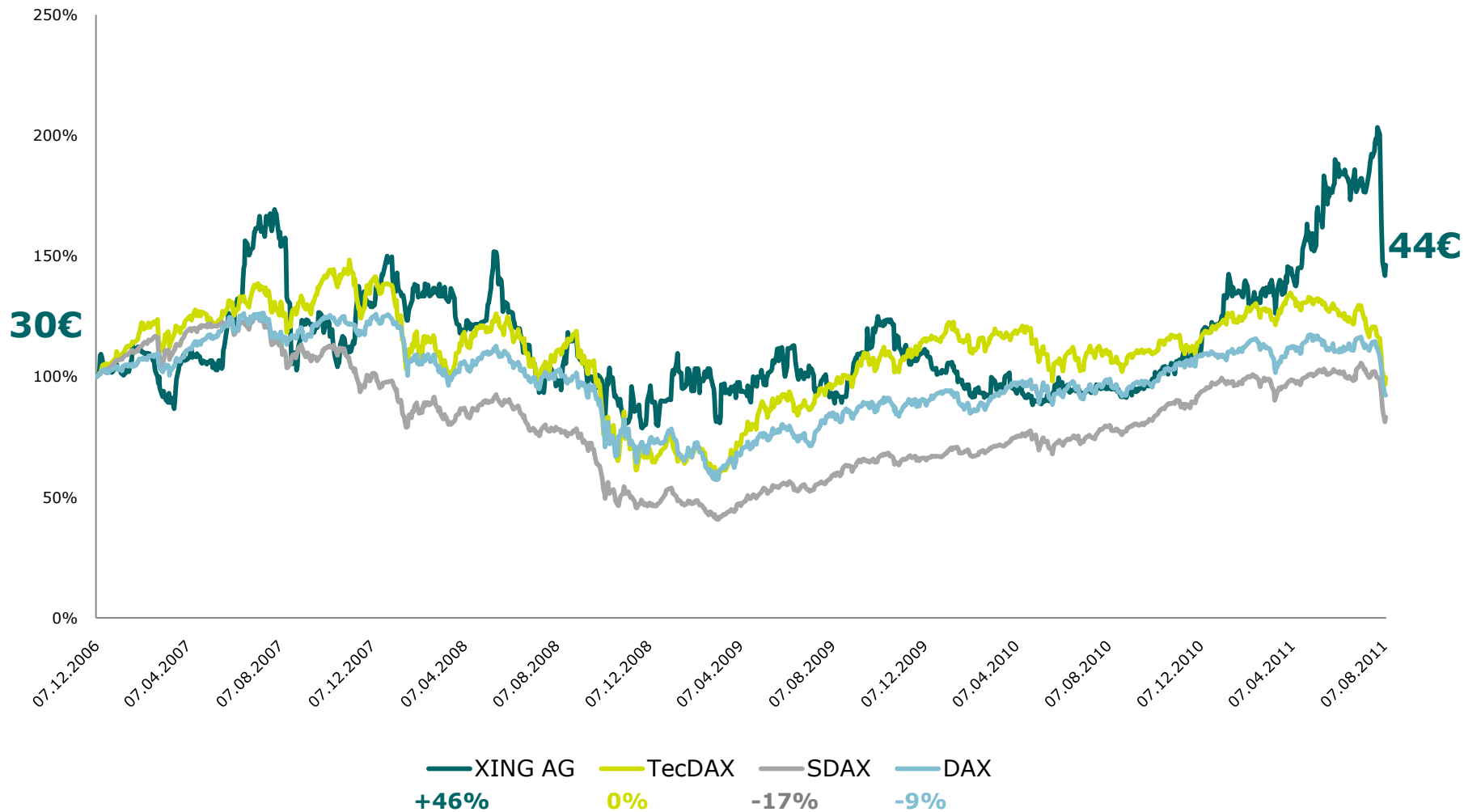
31



Free float according to Deutsche Börse: 68.8%

# XING share price since IPO in Dec 2006

(as of August 9, 2011)





### Patrick Möller

Director Investor Relations

XING AG  
Gänsemarkt 43  
20354 Hamburg  
Germany

Tel.: +49 (0)40 419 131-793

Fax.: +49 (0)40 419 131-44

(Please use this number to submit "WpHG notifications")

Email.: [patrick.moeller@xing.com](mailto:patrick.moeller@xing.com)

Website: <http://corporate.xing.com/english/investor-relations/>

<http://www.youtube.com/user/XINGcom>

Follow us on twitter:  
[http://twitter.com/xing\\_ir](http://twitter.com/xing_ir)



#### **Institutional Investor**

##### **2010 Europe's Best Investor Relations**

2nd Rank Business & Employment Services,  
Buy Side, Patrick Möller

#### **Institutional Investor**

##### **2009 Europe's Best Investor Relations**

2nd Rank Business & Employment Services,  
Sell Side, Patrick Möller