



# **XING – #1 Professional Social Network In German Speaking Europe**

Presentation of preliminary results 2012

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### *Pro-forma results*

Results contained in this presentation are partly based on unaudited pro-forma financial results that the Company derived from its preliminary and past financial statements for the indicated periods in order to make these periods comparable and show non-recurring costs.

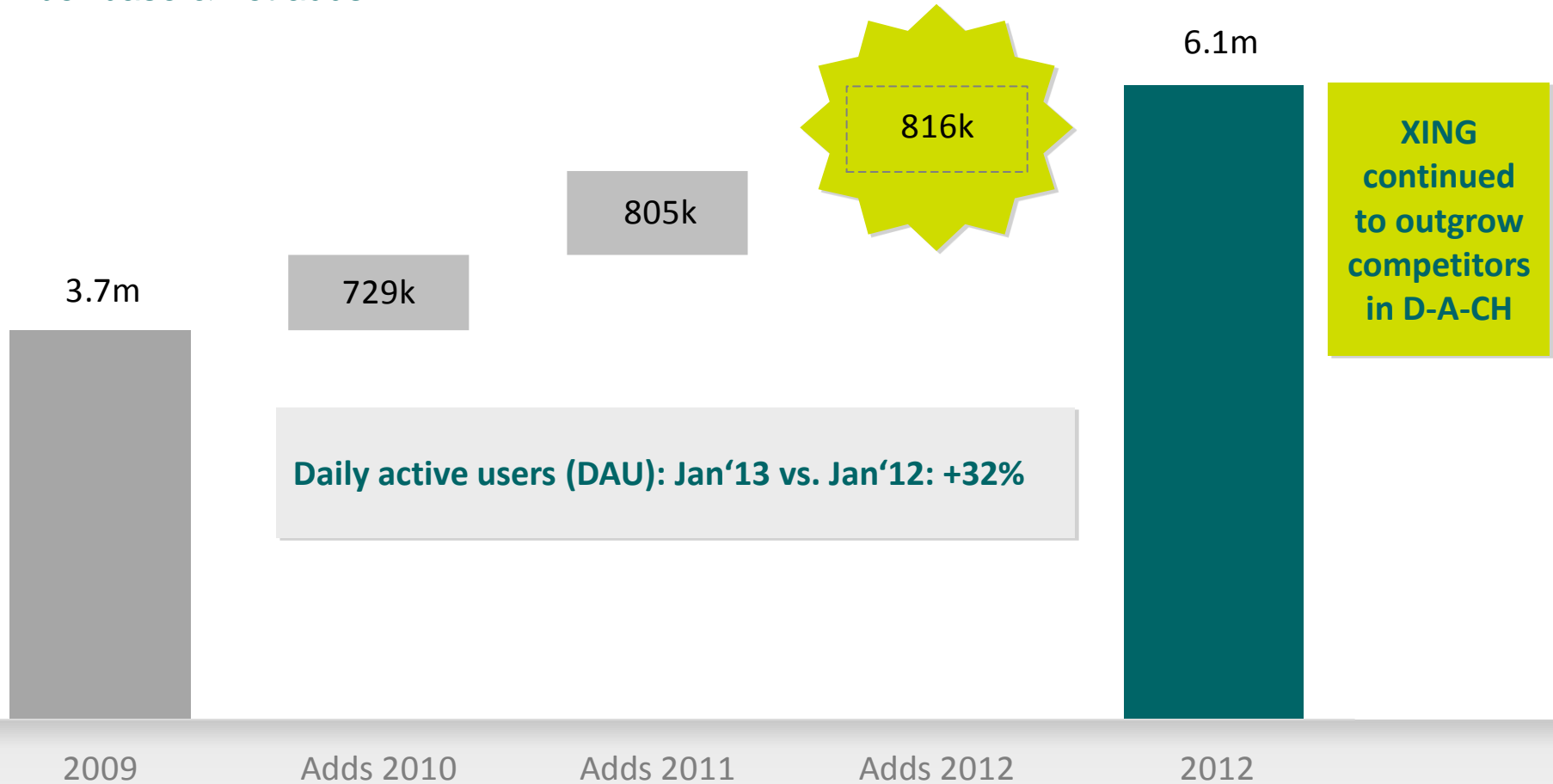
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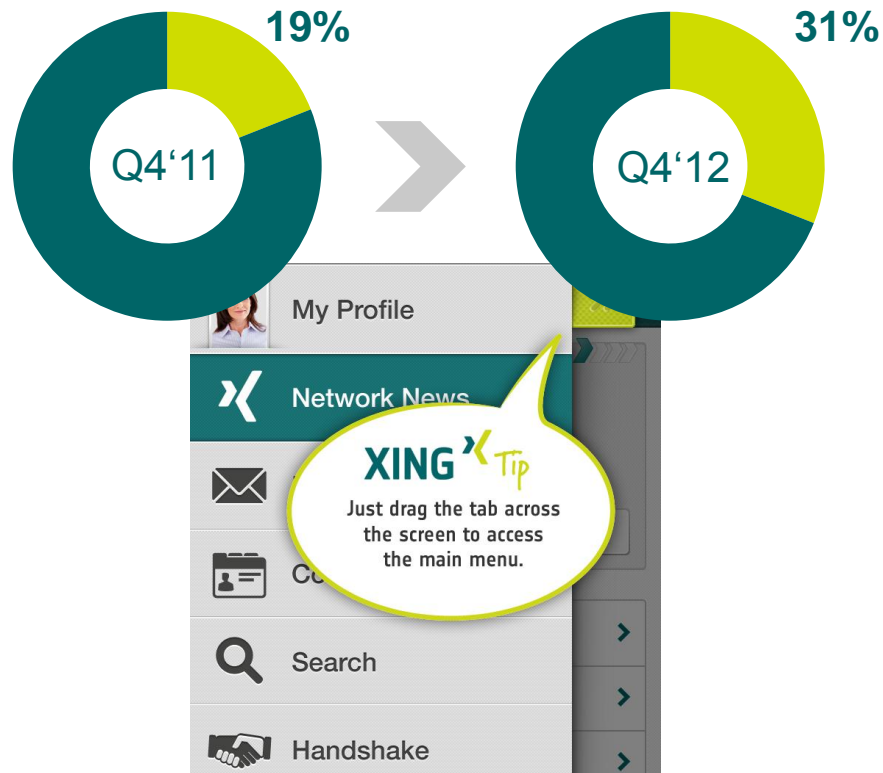


# Strongest growth in members and activity in D-A-CH-region since 2009

## Member base & net adds



## Share of mobile visits / total visits in %



## Android & iPhone App:

- Vcard reader
- Jobs integration
- XING Beam: Adding contacts via NFC interface (Near field communication)
- Read QR Codes
- New design for iPhone app
- Recommendations (Members you may know)
- Full iPhone 5 compatibility

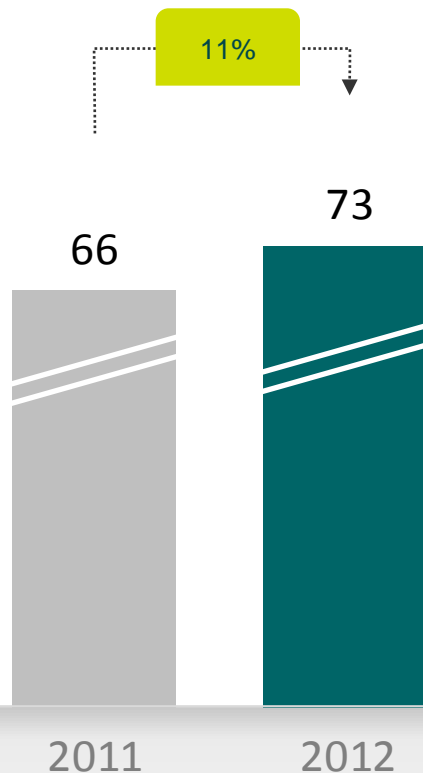
## WebApp

- Events integration
- Company Profiles integration

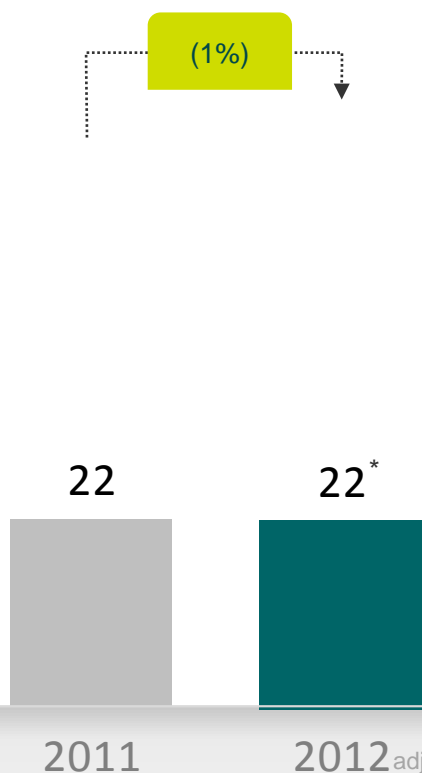
**iPad App to be launched in March 2013**

# Double digit top-line growth with flat EBITDA

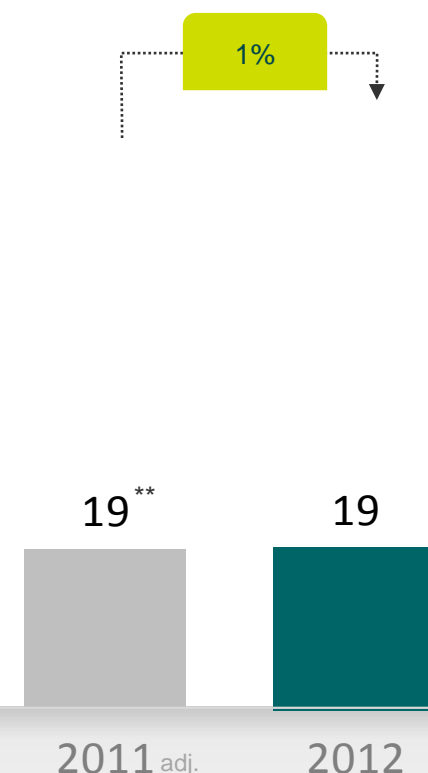
## Revenues in €m



## EBITDA in €m



## Operating Cashflow in €m



\* Adjusted for one-time effects related to the mandatory takeover bid of Burda Digital and effects related to the acquisition of kununu GmbH

\*\* Adjusted for for tax-cash-outs for years 2006-2010 (€4.8m)

# Decreasing growth rates require new growth impulses

Annual growth rates 2010 - 2012



New segmentation

<sup>1</sup>) Premium Club includes revenues from paid memberships, display advertising & Top Deals

<sup>2</sup>) e-Recruiting includes revenues from online job ads (fixed & click price), recruiter memberships, XING Talentmanager and Company Profiles

<sup>3</sup>) Events includes revenues from ticketing and lead gen (adCreator)



## Social Network



## Premium Club



## e-Recruiting



## Events

### Mantra and Vision

#### Socializing business

We are THE social fabric that creates and enriches business interactions every day

#### Desired membership

Every single day a user knows that his/her membership is valuable

#### Matching people and jobs

There is no job search without XING – neither for recruiters nor for job-seekers

#### Digital mastermind of events

We are the first point of reference for organizers and attendees of professional events

### Key strategic initiatives

**Increase relevant and unique user value by launchig innovative features**

**Establish largest paid business community**

**Establish leading active recruiting and employer branding platform**

**Build Europe's largest marketplace for conferences and seminars**





**Social Network**



**Premium Club**



**e-Recruiting**

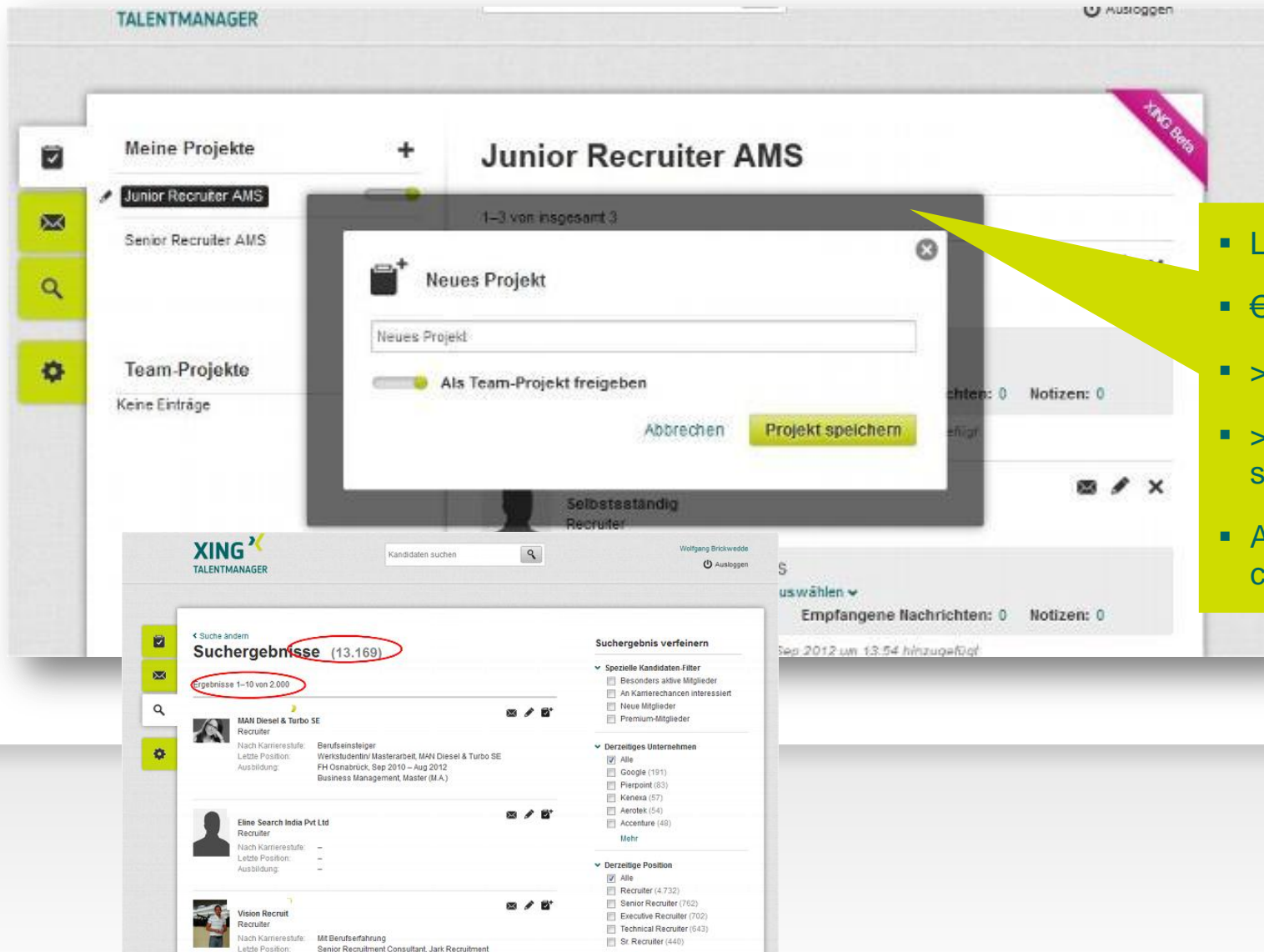


**Events**

## Key product launches

- API ecosystem
  - Mobile products for Android and iPhone
  - XING share button
- 
- 100MB attachments to messages for Premium Members
- 
- XING Talentmanager for active sourcing (XTM)
  - Acquisition of kununu.com (Leading employer review platform)
  - XING-Projects
- 
- Amiando Events on XING
  - XING adCreator for Events

# Example: XING Talentmanager as new tool for active recruiting



- Launch: Sep 2012
- €249 per seat/month
- >1,000 seats sold
- >90,000 candidates stored in projects
- Avg. #seats is 3 per company

# Higher effectiveness through new processes and structures

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- New business unit organization (from functional set-up)
- Sequential product development (from parallel development)
- Significantly reduced FTE-build-up
- Replacement of key positions (i.e., Product Development, Data Science, Sales, Premium Club, Human Resources)

# Our goal: double revenues until 2016





# FY 2012: Revenue growth 11%, flat EBITDA

	<b>2012 adjusted</b>	<b>2011</b>	<b>2012 vs. 2011</b>	<b>2012 vs. 2011</b>
	<b>Abs.<sup>(2)</sup></b>	<b>Abs.<sup>(3)</sup></b>	<b>Abs.</b>	<b>Rel.</b>
Total revenue <sup>1</sup>	<b>73.3</b>	66.2	7.1	11%
Costs	<b>(51.3)</b>	(43.9)	(7.4)	(17%)
EBITDA	<b>22.0</b>	22.2	(0.2)	(1%)
Margin	<b>30%</b>	34%	(4% pts)	(4% pts)
Depreciation	<b>(8.3)</b>	(8.0)	(0.3)	(4%)
Financial result	<b>0.3</b>	0.5	(0.2)	(32%)
Taxes	<b>(4.8)</b>	(5.3)	0.5	9%
Net result	<b>9.2</b>	9.4	(0.2)	(3%)

(1) Including other operating income

(2) 2012 figures adjusted for one-time expenses related to Burda takeover bid & kununu GmbH acquisition (€1.9m) & taxes adjusted by €0.5m accordingly

(3) 2011 figures adjusted for one-time write-down of market entries for Spain & Turkey (€14.4m) & taxes adjusted by €0.3m accordingly



One-time effects on €1.9m related to mandatory takeover bid by Burda Digital & kununu acquisition

# All business units profitable except “Events”

## Profitability by business unit

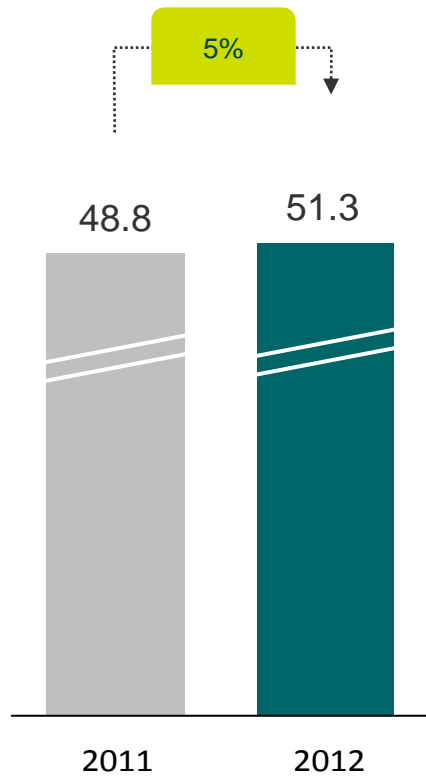
	2012
Network	N/A
Premium Club	+
e-Recruiting	+
Events	-
International	+
<b>EBITDA margin (group)</b>	<b>30%</b>

➤ Ongoing investments in “Events” dilutes group EBITDA margin by 5-6% pts

# FY 2012: Revenue Split

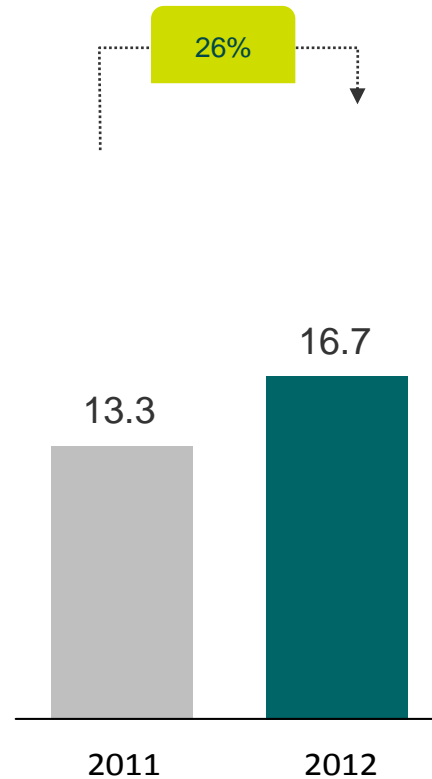
## Premium Club

in €m



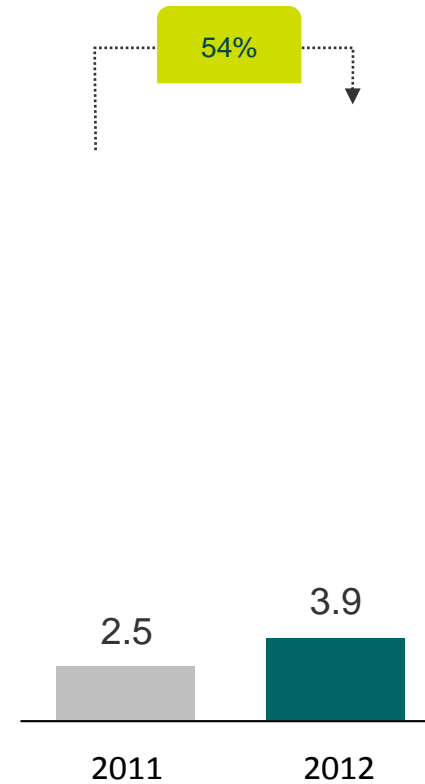
## e-Recruiting

in €m



## Events

in €m





# Full year operating cash flow €18.9m

	2012	2011	2012 vs. 2011	2012 vs. 2011
	Abs.	Abs.	Abs.	Rel.
EBITDA	20.1	22.2	(2.2)	(10%)
Interest/tax/ESOP	(3.8)	(9.1)	5.3	59%
Δ Net working capital	2.6	0.8	1.8	224%
Operating cash flow excl. organizer cash	18.9	13.9	5.0	36%
Investment – operating	(7.3)	(6.5)	(0.8)	(12%)
Investment – acquisitions	(2.5)	(5.4)	3.0	55%
Financing incl. transaction of own shares	3.9	5.2	(1.3)	(27%)
Free cash flow excl. dividends & organizer cash	13.0	7.2	(5.8)	N/A
Capital return	(20.0)	0.0	(20.0)	N/A
Regular dividend	(3.0)	0.0	(3.0)	N/A
Free cash flow excl. organizer cash	(10.0)	7.2	(17.2)	N/A
Effects organizer cash	0.6	2.0	(1.4)	(71%)
Free cash flow incl. organizer cash	(9.4)	9.2	(18.6)	N/A



Adjusted for distortions in 2011 operating cash flow is on previous years level

[2011 adjusted for tax-cash-outs for years 2006-2010 (€4.8m) = OpCF: €18.7m]

# Q4 numbers

# Q4'12: €19m revenues, €6.6m EBITDA (adj.)

	Q4'12	Q3'12	Q4'12 vs. Q3'12	Q4'11	Q4'12 vs. Q4'11
	Abs. <sup>2</sup>	Abs.		Abs. <sup>3</sup>	
Total revenue <sup>1</sup>	19.0	18.3	4%	17.6	8%
Costs	(12.4)	(12.8)	3%	(12.0)	(4%)
EBITDA	6.6	5.5	19%	5.6	18%
Margin	35%	30%	5% pts	32%	3% pts
Depreciation (adjusted)	(2.3)	(2.1)	(9%)	(2.6)	12%
Financial result	0.0	0.1	(54%)	0.2	(82%)
Taxes (adjusted)	(1.4)	(1.3)	8%	(1.4)	1%
Net result (adjusted)	2.9	2.2	33%	1.8	67%

(1) Including other operating income

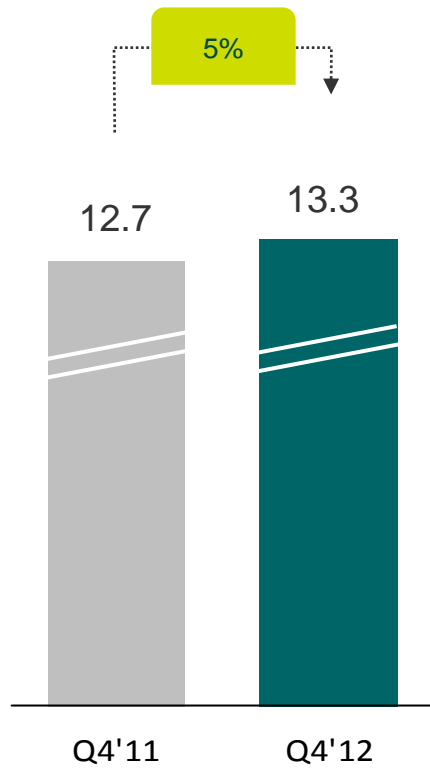
(2) Adjusted for one-time expenses related to Burda bild and kununu acquisition (€1.9m)

(3) Adjustment for one time write-down of market entries for Spain & Turkey (€14.4m) & taxes adjusted by €0.3m accordingly

# Q4 2012: Revenue Split

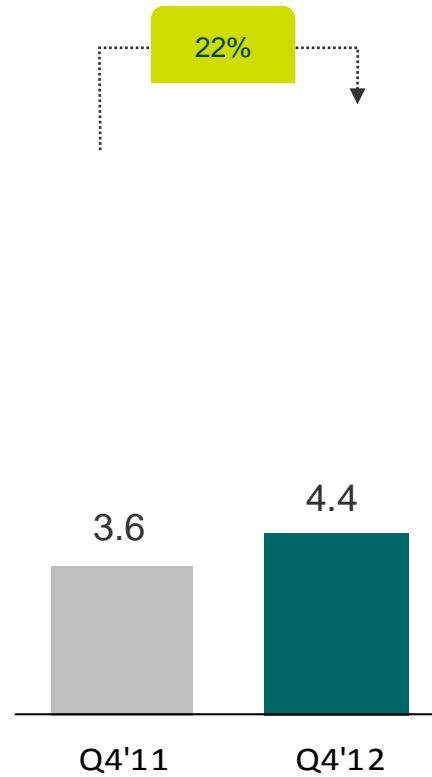
## Premium Club

in €m



## e-Recruiting

in €m



## Events

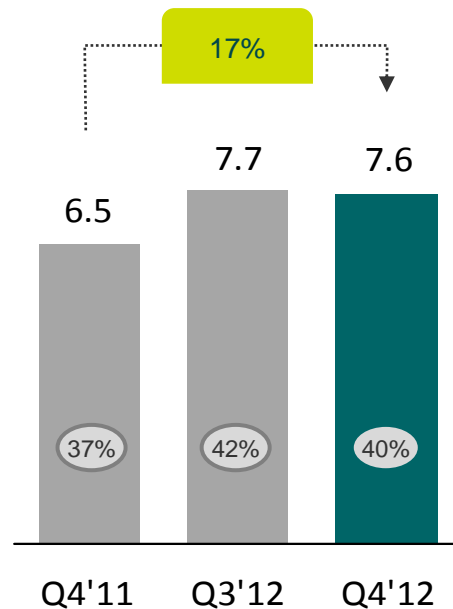
in €m



# Personnel main investment area to further drive company growth

## Personnel

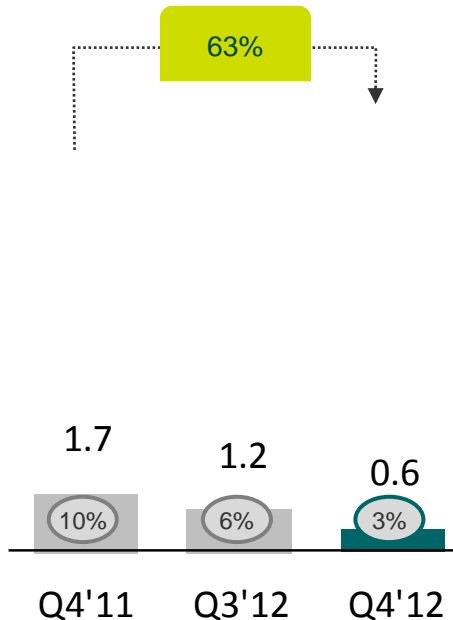
in €m  
in % of total revenue



- Investment into product/technology organization & sales/marketing
- 4 new FTEs in Q4
- 68 new FTE's in 2012

## Marketing

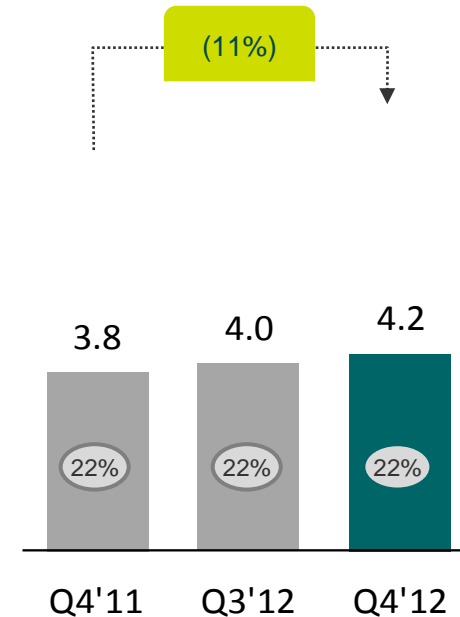
in €m  
in % of total revenue



- Online display & social media adv.
- Search engine marketing (SEM)
- Offline marketing expenditure (conferences & events, print, sponsoring)
- Affiliate marketing

## Other Expenses

in €m  
in % of total revenue



- External services, legal, audit & consulting
- Payment processing, server hosting
- Rent & other costs

# Q4 2012: Operating cash flow: €3.8m

	Q4'12	Q3'12	Q4'12 vs. Q3'12	Q4'11	Q4'12 vs. Q4'11
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	4.7	5.5	(0.9)	5.6	(0.9)
Interest/tax/ESOP	(1.4)	(0.9)	(0.5)	(2.7)	1.3
Δ Net working capital	0.5	0.1	0.4	(0.4)	0.9
Operating cashflow excl. organizer cash	3.8	4.7	(1.0)	2.5	1.3
Investment – operating	(2.1)	(1.6)	(0.6)	(2.2)	0.1
Investment – acquisitions	(2.5)	0.0	(2.5)	(0.0)	(2.5)
Financing incl. transaction of own shares	1.9	0.1	1.8	0.4	1.5
Free cashflow excl. organizer cash	1.1	3.3	(2.2)	0.7	0.4
Effects organizer cash	(2.1)	1.8	(3.9)	(2.5)	0.4
Free cashflow incl. organizer cash	(1.0)	5.1	(6.2)	(1.8)	0.8

## Executive board recommends pay a dividend of 0.56€ per share

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- XING continues to pay a regular dividend according to policy
- Financial metrics support stable dividend vs. 2011 of €0.56 per share
- Strong business model allows to invest in future growth & pay dividends
- Policy unchanged: Sustainable dividend payments going forward

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



# Negative invested capital from shareholders' perspective

in €m

[Excl. event organizer cash and NWC]

	As of Dezember 2012	
	Abs.	
<b>Assets</b>	<b>89.1</b>	
Operating assets	25.0	Operating assets €25.0m
Acquisitions / international	7.1	Deferred income (€25.1m)
TAX A/R	0.8	Liabilities (€9.6m)
Cash	56.2	
<b>Liabilities</b>	<b>89.1</b>	<b>Invested capital w/o cash (€9.7m)</b>
Equity	51.8	
Deferred income	25.1	
Liabilities	9.6	
Tax liabilities	2.5	
Other	0.0	

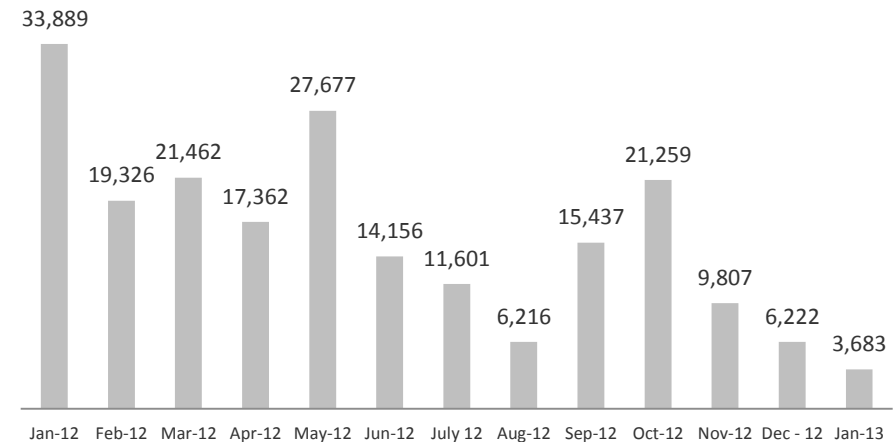
# XING AG IR stats

Market cap: ~€220m / ~€56m cash / no debt



Consensus (Analyst estimates, February 8, 2013)	Consensus from 10 brokers	2012e	2013e	2014e
	<b>Total revenues</b>	<b>72.8</b>	<b>81.9</b>	<b>90.7</b>
	<b>EBITDA</b>	<b>21.1</b>	<b>24.7</b>	<b>29.8</b>
	<i>Margin</i>	29%	30%	33%
	Depreciation	-7.8	-7.9	-7.9
	<b>EBIT</b>	<b>13.3</b>	<b>16.8</b>	<b>21.9</b>
	<i>Margin</i>	18%	21%	24%
	<b>Net income</b>	<b>9.1</b>	<b>11.6</b>	<b>15.0</b>
	EPS in €	1.74	2.11	2.74
	DPS in €	0.62	0.73	0.83

Average trading volume per day (XETRA)



## Analyst coverage

Berenberg Bank, Commerzbank,  
Close Brothers, Deutsche Bank,  
Hauck & Aufhäuser, HSBC,  
JP Morgan Cazenove,  
MM Warburg, Montega

## Shares

5,554,243

## TecDax ranking end of January 2012

## Market Cap.

42

## Turnover

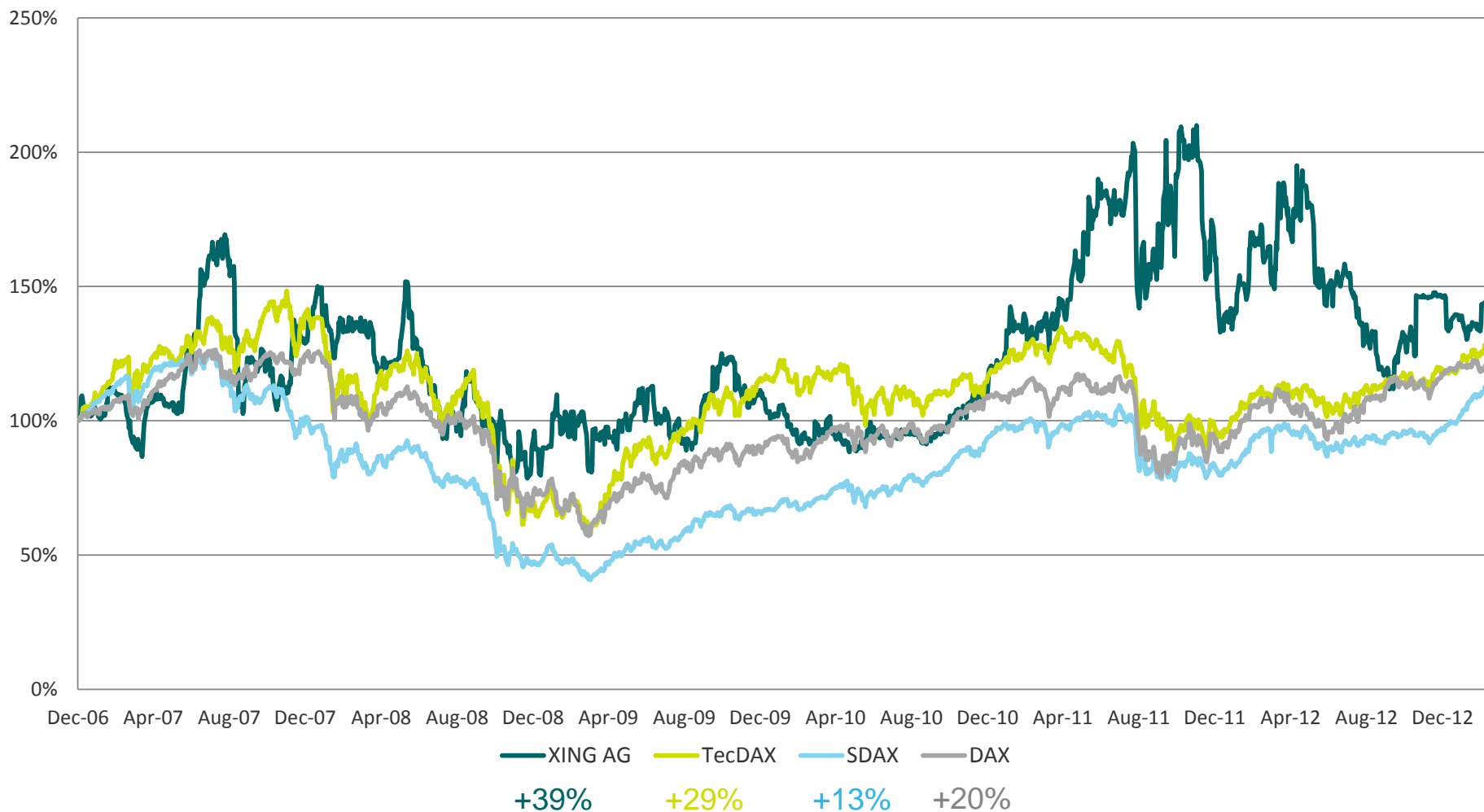
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Burda Digital GmbH	2.922.244	52.61%
DWS Investment	361.000	6.50%
Ennismore	293.622	5.29%
Schroders	282.421	5.08%
Ruane, Cunniff & Goldfarb	169.259	3.05%
Treasury Shares	75.332	1.36%
Other	1.811.365	32.61%

Numbers based on last filing – actual shareholdings can differ

# XING share price development since IPO in Dec 06

as of February 27 2013



# Investor Relations

## Contact details & social media channels



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