



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

Q1 results

May 6, 2014

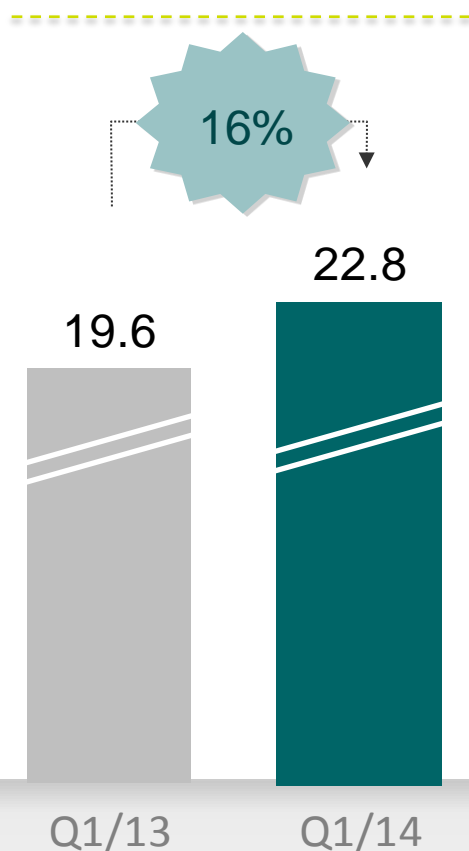


# Strong organic growth in revenues with 16%

## Significant acceleration vs. 7% growth in Q1 2013

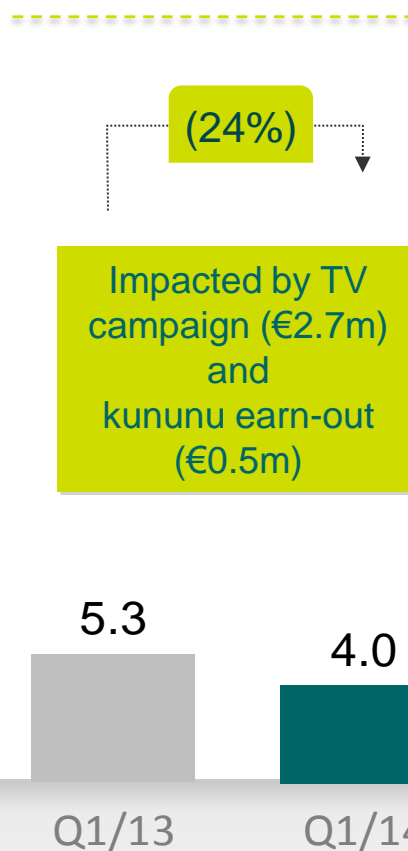
### Revenues

in €m



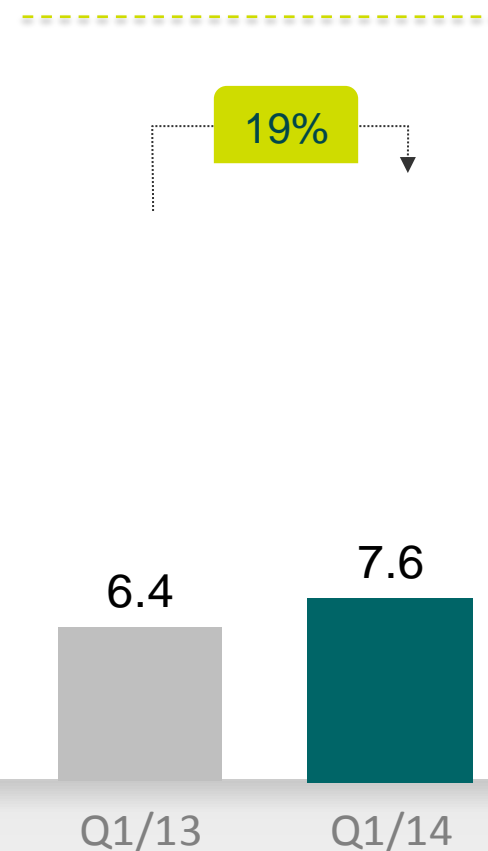
### EBITDA

in €m



### Operating cash-flow

in €m



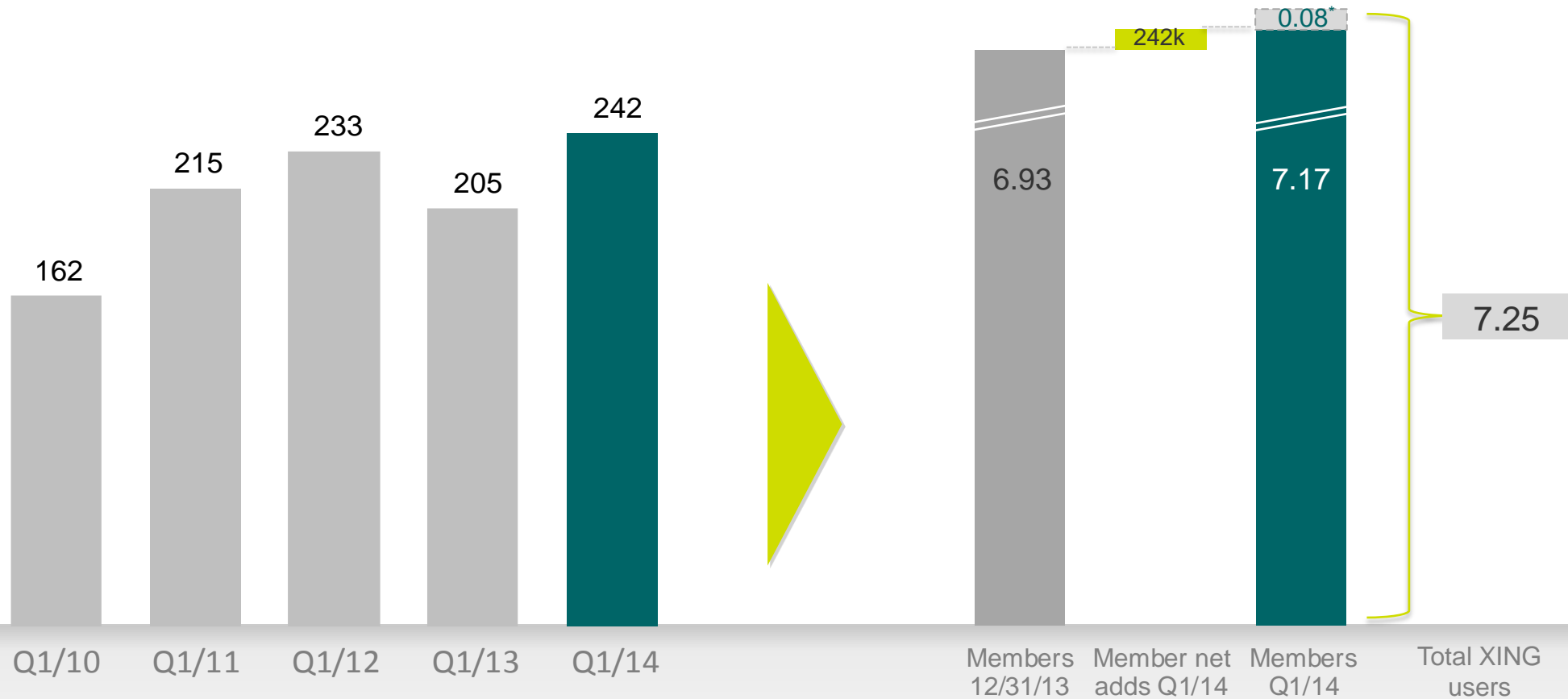
# Strongest member growth since 2009

Start communication of XING-EVENTS user development



[Member & total user base in million]

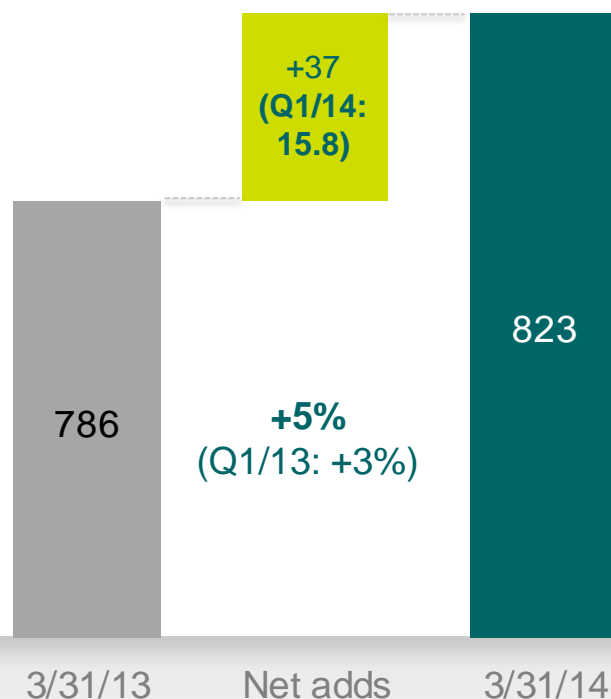
[Member & XING-EVENTS user net adds in thousands]



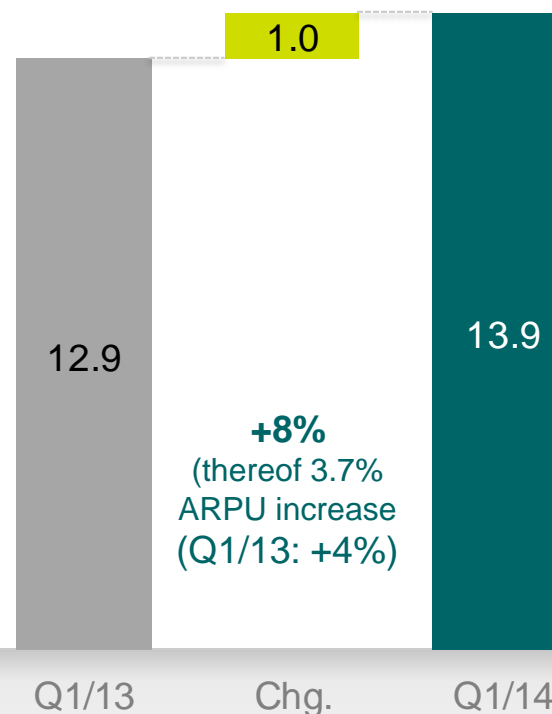
# Growth rate in Network / Premium segment doubled

## Q1/2014: 8% vs. Q1/2013: 4%

Paying member base  
D-A-CH [thousands]



Network / Premium revenues  
[€m]



<sup>1)</sup> ARPU Q1/14: €5.26 (Q1/13: €5.07)

Rounding differences are possible

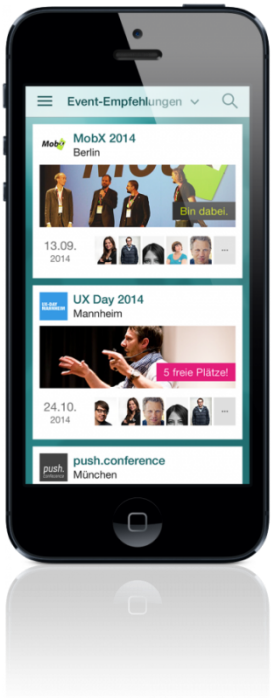


# 2 new Premium perks added in Q1

Total of 9 exclusive partnerships for XING Premium members

# XING





- Mobile access to more than 150,000 conferences, seminars and other networking events
- Users can discover/register relevant events within their vicinity
- Integration of personal network and matchmaking (recos)
- Messaging function: direct communication with other event participants
- Add event participants to your personal XING network

New XING-EVENTS users in Q1/14: +81,000

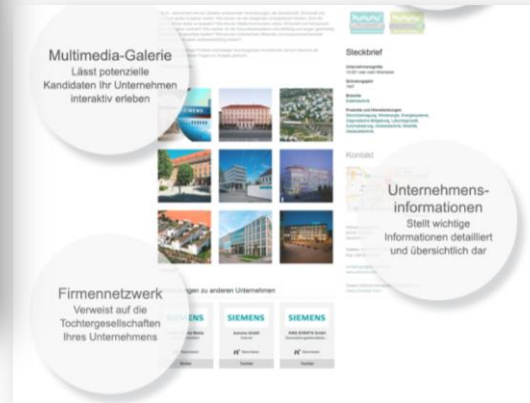
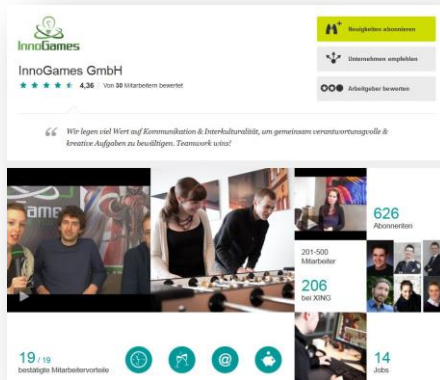
Total number of B2B-Event customers: 2,400 (+411 vs. Q1/13)<sup>1)</sup>

<sup>1)</sup> Definition B2B-customer: At least one created event within last 12 months



# Improved Employer Branding Profile & new search filters for job ads

## Employer Branding



- Redesign of EBP and entire kununu website
- Launch of industry sponsorships
- €395-1,095 p.m.
- >60% organic revenue growth in Q1

## Active Sourcing

- XTM: ~3,800 seats as of today (3,700 end of Q1)
- New project admin
- New XTM homepage
- Workflow improvements

## Passive Recruiting

- Screen job ads for additional benefits (i.e. flexible working hours, home office, health measurements, etc.)
- Partnerships with eFinancialCareers, stellenanzeigen.de & yourfirm.de to increase jobs inventory

Total number of B2B e-recruiting customers: 16k (+450 vs. Q1/13)



# Q1/14 numbers







# EBITDA impacted by costs for TV campaign of ~€3m

|  | Q1/14  | Q4/13  | Q1/14<br>vs. Q4/13 | Q1/13  | Q1/14<br>vs. Q1/13 |
|--|--------|--------|--------------------|--------|--------------------|
|  | Abs.   | Abs.   | %                  | Abs.   | %                  |
| (1) Including other operating income     |        |        |                    |        |                    |
| Total revenue <sup>1</sup>               | 22.8   | 22.7   | 0%                 | 19.6   | 16%                |
| Costs                                    | (18.7) | (17.3) | (9%)               | (14.3) | (31%)              |
| EBITDA incl. kununu earn-out             | 4.0    | 5.5    | (27%)              | 5.3    | (24%)              |
| Non-operating costs from kununu earn-out | 0.5    | 1.5    | NA                 | 0.0    | NA                 |
| EBITDA w/o kununu earn-out               | 4.5    | 7.0    | (35%)              | 5.3    | (15%)              |
| Margin w/o kununu earn-out               | 20%    | 31%    | (11%pts)           | 27%    | (7%pts)            |
| Depreciation (incl. PPA)                 | (2.2)  | (2.2)  | 1%                 | (2.3)  | 3%                 |
| Financial result                         | 0.0    | 0.0    | NA                 | 0.0    | NA                 |
| Taxes                                    | (0.8)  | (1.5)  | 51%                | (1.1)  | 29%                |
| Net result incl. kununu earn-out         | 1.0    | 1.7    | (39%)              | 2.0    | (48%)              |
| Net result w/o kununu earn-out           | 1.5    | 3.2    | (68%)              | 2.0    | (23%)              |

- New IFRS rules: earn-out now accounted for in personnel expenses instead of goodwill
- Margin impact of TV campaign 12% of total revenue

# Network / Premium and e-Recruiting driving profitability

|   |   | Segment EBITDA                             | Margin                               |
|---|---|--|--------------------------------------|
| Network / Premium                       |   | € 9.3m                                     | 67%                                  |
| E-Recruiting <sup>1</sup>               |    | € 3.5m <sup>1</sup><br>€ 3.0m <sup>2</sup> | 49% <sup>1</sup><br>42% <sup>2</sup> |
| Events                                  |    | (€ 0.5m)                                   | (37%)                                |
| Tech, Central Services & Other          |   | (€ 7.7m)                                   | N.A.                                 |
| <b>Total EBITDA w/o kununu earn-out</b> |   | <b>€ 4.5m</b>                              | <b>20%</b>                           |

<sup>1)</sup> W/o kununu earn-out

<sup>2)</sup> Incl. Kununu earn-out



- Costs for TV campaign of ~€3m (12%pts of total revenue) included in central marketing in „Tech, Central Services & Other“
- Margin dilution by Events: 4%pts

# Organic revenue growth rates significantly increased

Network / Premium  
in €m



e-Recruiting  
in €m



Events  
in €m



8%

33%

34%

Growth rate Q1/13 yoy

4%

16% (organic)<sup>1</sup>

5%

12.9

13.9

7.0

5.2

1.1

1.4

Q1/13

Q1/14

Q1/13

Q1/14

Q1/13

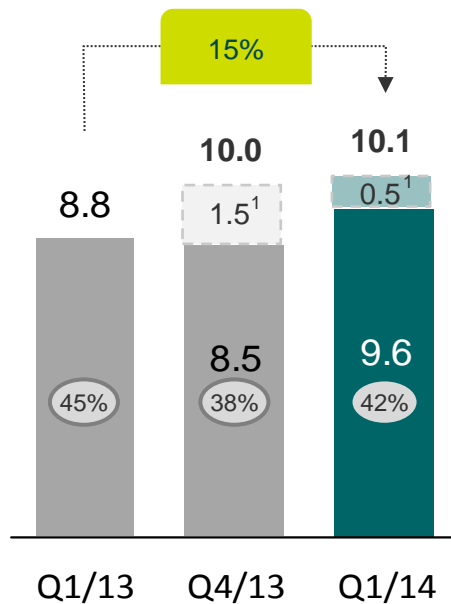
Q1/14

<sup>1</sup>) W/o anorganic growth from kununu acquisition

# Marketing expenses impacted by TV campaign in Q1 (~€ 3m)

## Personnel

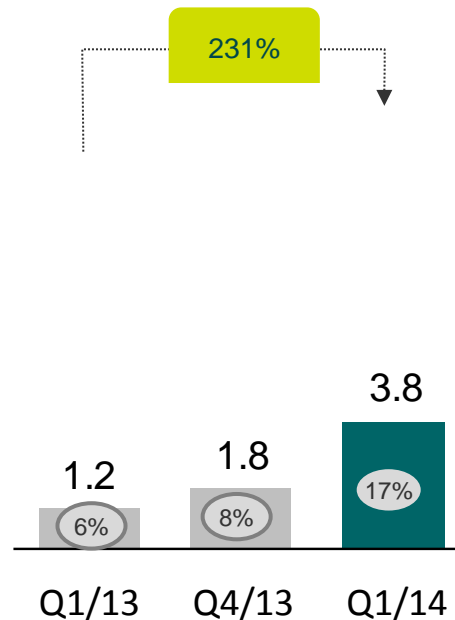
in €m  
in % of total revenue



- Investment in product/technology organization & sales/marketing
- 19 new FTEs in Q1/14
- 53 new FTEs since March '13
- Q4/13 and Q1/14 including non-operating costs from kununu earn-out

## Marketing

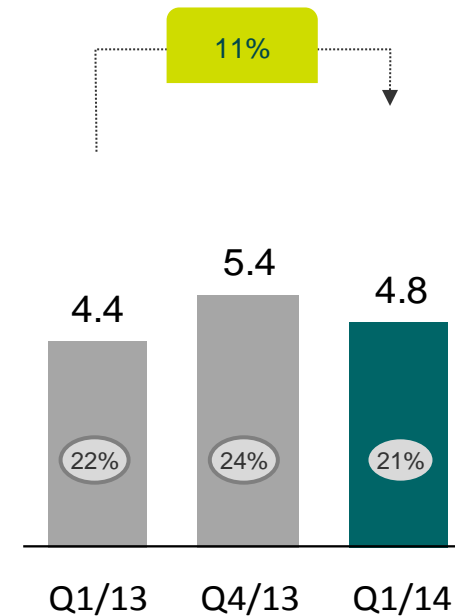
in €m  
in % of total revenue



- TV branding campaign in Q1/14
- 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

<sup>1)</sup> Impact from kununu earn-out

# Q1/14: Operating cash flow: €7.6m

|  | Q1/14 | Q4/13 | Q1/14<br>vs. Q4/13 | Q1/13 | Q1/14<br>vs. Q1/13 |
|--|-------|-------|--------------------|-------|--------------------|
|  | Abs.  | Abs.  | Abs.               | Abs.  | Abs.               |
| EBITDA   | 4.0   | 5.5   | (1.4)              | 5.3   | (1.3)              |
| Interest/tax & kununu earn out                                 | (0.2) | 0.0   | (0.2)              | (1.1) | 1.0                |
| Δ Net working capital  | 3.8   | 0.6   | 3.2                | 2.2   | 1.5                |
| Operating cash flow excl.<br>organizer cash                    | 7.6   | 6.0   | 1.6                | 6.4   | 1.2                |
| Investment – operating   | (2.3) | (3.0) | 0.7                | (1.8) | (0.5)              |
| Investment – acquisitions                                      | 0.0   | 0.0   | 0.0                | (2.9) | 2.9                |
| Financing incl.<br>transaction of own shares                   | 0.0   | 0.6   | (0.6)              | 0.0   | 0.0                |
| Free cash flow excl. organizer cash<br>& dividends             | 5.3   | 3.6   | 1.8                | 1.7   | 3.6                |
| Regular dividends  | 0.0   | 0.0   | 0.0                | 0.0   | 0.0                |
| Free cash flow excl.<br>event organizer cash & incl. dividends | 5.3   | 3.6   | 1.8                | 1.7   | 3.6                |
| Effects organizer cash   | 3.6   | (2.4) | 6.1                | 1.0   | 2.6                |
| Free cash flow incl.<br>organizer cash & dividends             | 9.0   | 1.1   | 7.8                | 2.7   | 6.2                |

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



# Negative invested capital from shareholders' perspective

in €m

[Excl. event organizer cash and NWC]

|                    | As of<br>March<br>2014<br>Abs. |
|--------------------|--------------------------------|
| <b>Assets</b>      | <b>115.7</b>                   |
| Operating assets   | 31.8                           |
| Acquisitions       | 10.9                           |
| TAX A/R            | 1.5                            |
| Cash               | 71.5                           |
| <b>Liabilities</b> | <b>115.7</b>                   |
| Equity             | 61.6                           |
| Deferred income    | 36.2                           |
| Liabilities        | 14.1                           |
| Tax liabilities    | 3.8                            |



|                                      |                 |
|--------------------------------------|-----------------|
| Operating assets                     | €31.8m          |
| Deferred income                      | (€36.2m)        |
| Liabilities                          | (€14.1m)        |
| <b>Invested capital<br/>w/o cash</b> | <b>(€18.5m)</b> |

# Investor information & contact

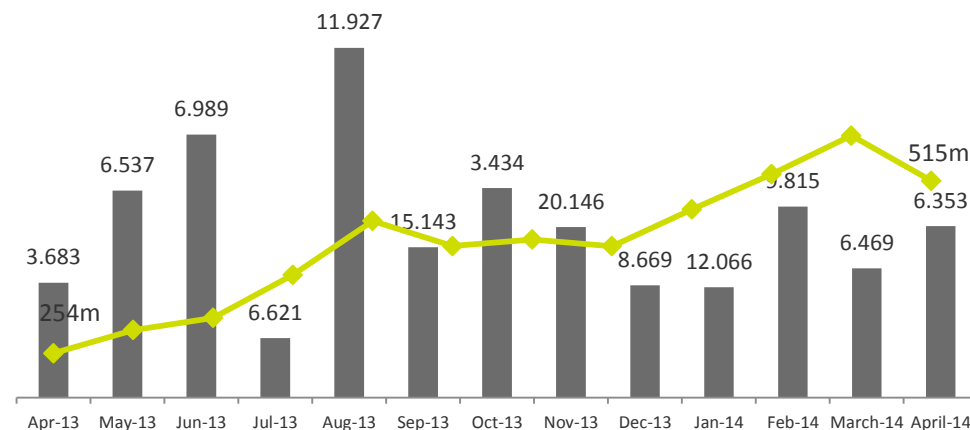
# XING AG IR stats

Market cap: ~€580m / >€70m cash / no debt



| Consensus<br>(Analyst estimates as of April, 2014) | Consensus from<br>8 brokers | 2014e       | 2015e        | 2016e        |
|--|-----------------------------|-------------|--------------|--------------|
|  | <b>Total revenues</b>       | <b>94.3</b> | <b>105.8</b> | <b>121.3</b> |
|  | <b>EBITDA</b>               | <b>29.4</b> | <b>35.3</b>  | <b>42.1</b>  |
|  | <i>Margin</i>               | 31%         | 33%          | 35%          |
|  | Depreciation                | (8.6)       | (9.2)        | (9.8)        |
|  | <b>EBIT</b>                 | <b>20.7</b> | <b>26.0</b>  | <b>32.3</b>  |
|  | <i>Margin</i>               | 22%         | 25%          | 27%          |
|  | <b>Net income</b>           | <b>14.0</b> | <b>17.9</b>  | <b>21.6</b>  |
|  | EPS in €                    | 2.54        | 3.37         | 4.07         |
|  | DPS in € (regular)          | 0.67        | 0.94         | 1.19         |

Average trading volume per day (XETRA) & Market Cap



## Analyst coverage

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

## Shares

5,592,137

|                              |           |        |
|------------------------------|-----------|--------|
| Burda Digital GmbH           | 2,922,244 | 50.51% |
| Deutsche Asset & Wealth Mngt | 372,660   | 6.66%  |
| Schroders                    | 282,421   | 5.05%  |
| Union Investment             | 173,284   | 3.10%  |
| Treasury Shares              | 12,832    | 0.23%  |
| Rest                         | 1,828,696 | 34.45% |

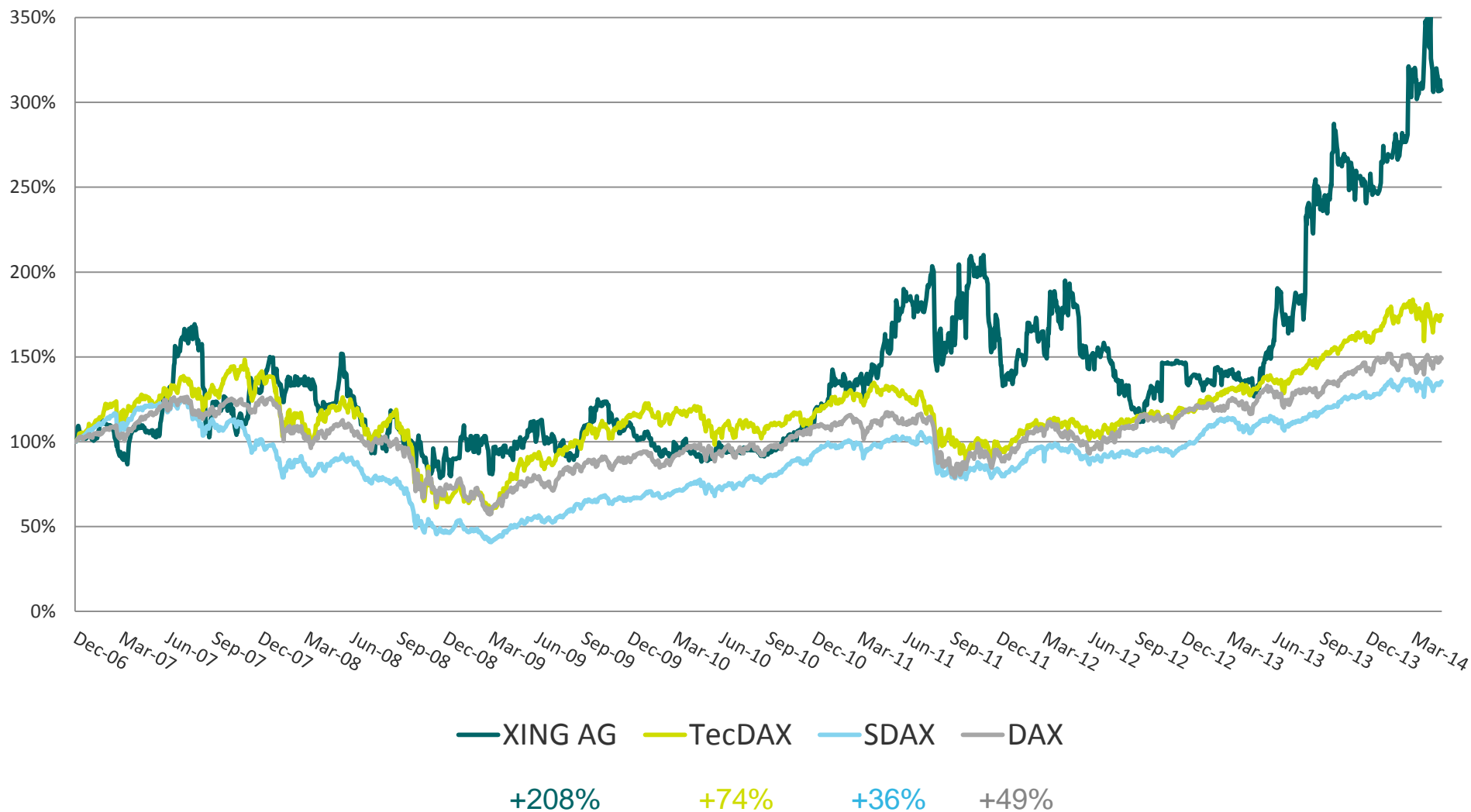
Numbers based on last filing – actual shareholdings can differ

## TecDax ranking end of March 2013

|             |    |
|-------------|----|
| Market Cap. | 27 |
| Turnover    | 27 |

# XING share price development since IPO in Dec 06

as of May 02, 2014



# Investor Relations

## Contact details & social media channels



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March 25 – May, 7 2014

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