

# **XING Q2'2012**

## **results presentation**

**August 14, 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.

### *Cautionary note regarding preliminary results and pro-forma financial results*

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Solid financial performance



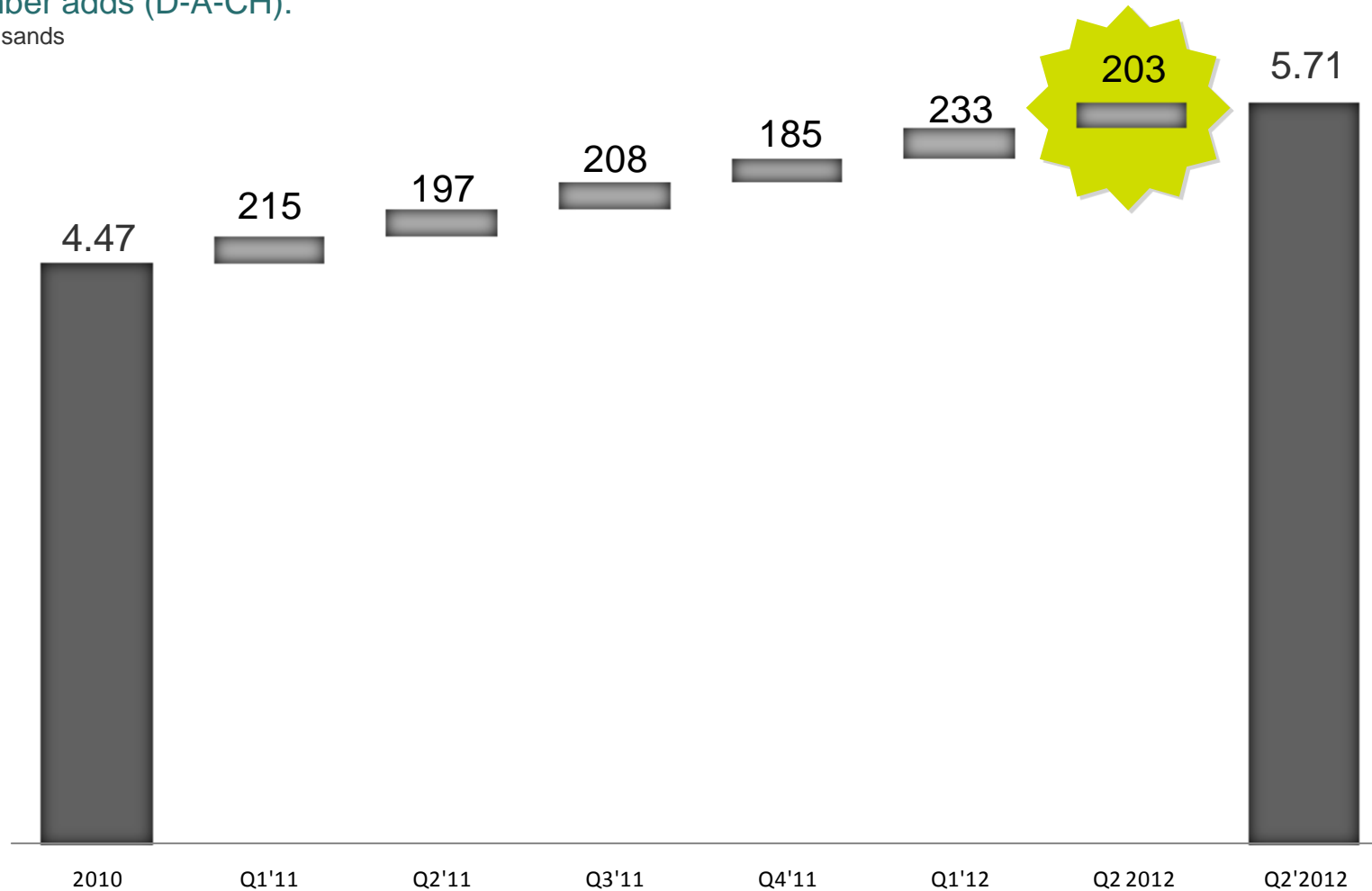
Continuing strong member growth in D-A-CH



Revised schedule on important product launches: “Ad Creator” launched August 2<sup>nd</sup>; “Talentmanager” currently in beta-testing

# Ongoing strong member growth – Best 1<sup>st</sup> half since 2009

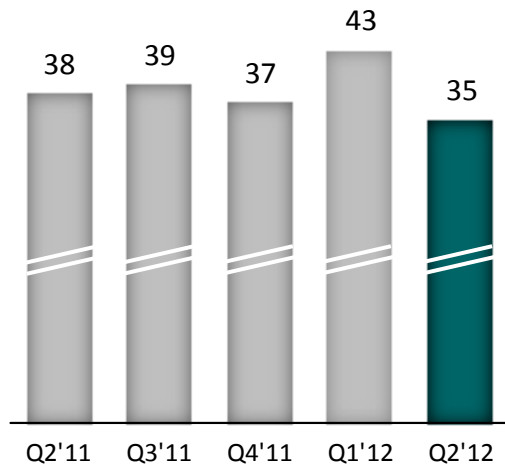
Member adds (D-A-CH):  
in thousands



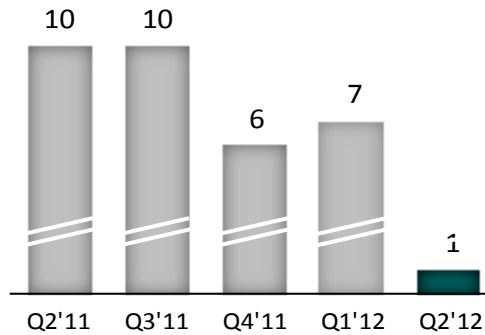
# Development of subscriber base

Low net adds due to higher campaign driven churn

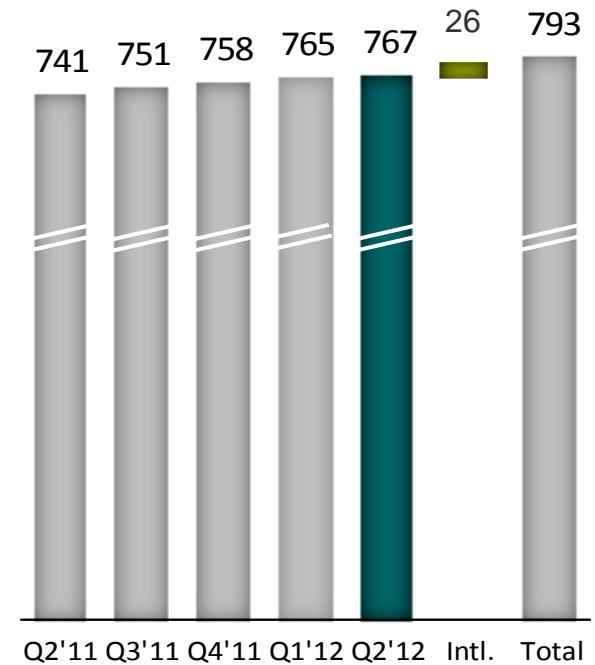
Gross subscriber adds  
D-A-CH  
in thousands



Net subscriber adds  
D-A-CH  
in thousands



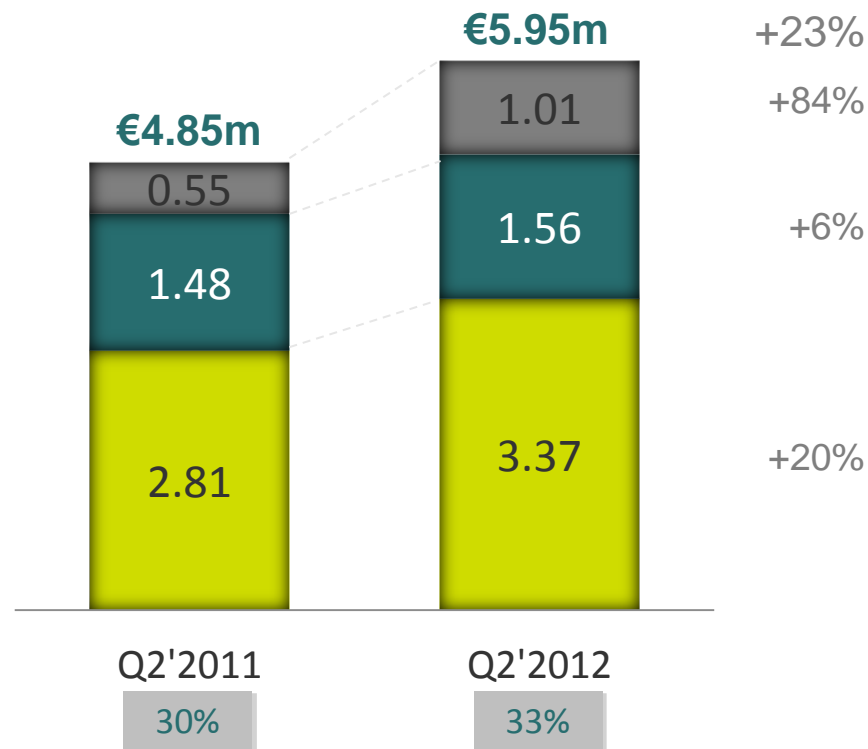
Subscriber base  
in thousands



# 'Verticals' drive overall growth

Revenues from "verticals" in €m &  
in % of total revenues

Yoy growth



## e-Recruiting

- Growth in job ads sold via sales overcompensates decline in click price ads given continuing change in product mix
- Commercial launch of "Talentmanager" (Corporate HR solution) planned for Q4

## Advertising

- Display ads: Soft market environment
- New revenue model "AdCreator" launched on August 2<sup>nd</sup> 2012  
First use case: promote events

## Events

- €14.3m ticket sales
- New large customers: Euroforum & afo-evenements.fr



Continued phase of accelerated investments in future growth



Revenue of €18.2m



EBITDA of €5.1m w/ 28% margin reflecting investments



Outlook for H2 more cautious; however long-term outlook unchanged

## Q2'12: €18.2m revenues, €5.1m EBITDA, 28% margin

	Q2'12	Q1'12	Q2'12 vs. Q1'12	Q2'11	Q2'12 vs. Q2'11
	Abs.	Abs.		Abs.	
Total revenue <sup>1</sup>	18.2	17.7	+3%	16.3	11%
Costs	(13.1)	(12.9)	(2%)	(10.7)	(23%)
EBITDA	5.1	4.8	6%	5.7	(10%)
Margin <sup>2</sup>	28%	27%	1%pt	35%	(7%pt)
Depreciation	(2.1)	(1.8)	(14%)	(2.2)	5%
Financial result	0.1	0.1	(4%)	0.1	76%
Taxes	(1.1)	(1.1)	6%	(1.2)	10%
Net result	2.1	2.0	5%	2.4	(13%)
EPS in €	0.38	0.36	6%	0.43	(12%)

(1) Including other operating income

(2) Of revenue



Accelerated investment mode since Q3'11

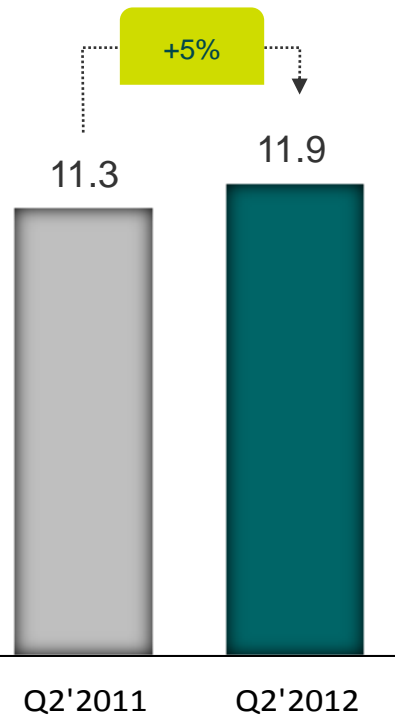


# Continued growth of vertical revenues

## Core

### Subscription

in €m



## Verticals

### e-Recruiting

in €m



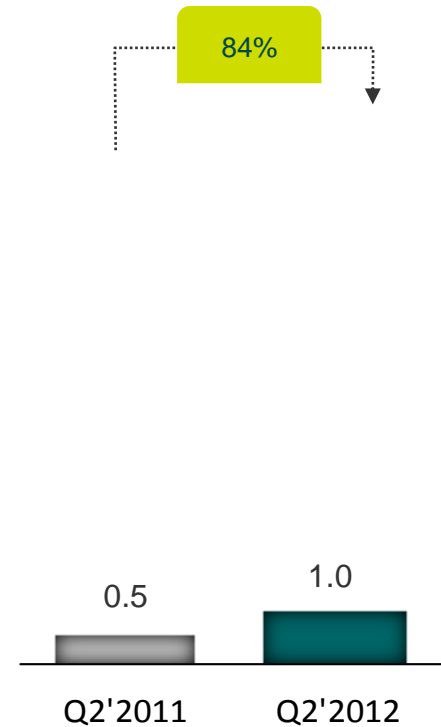
### Advertising

(incl. Company Profiles)  
in €m



### New Verticals

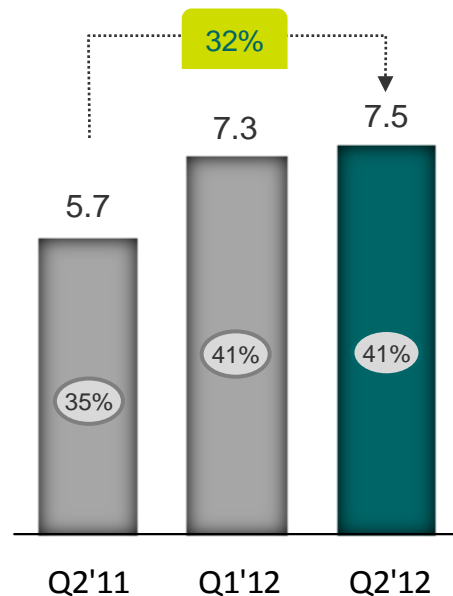
(Events)  
in €m



# Personnel main investment area to further drive company growth

## Personnel

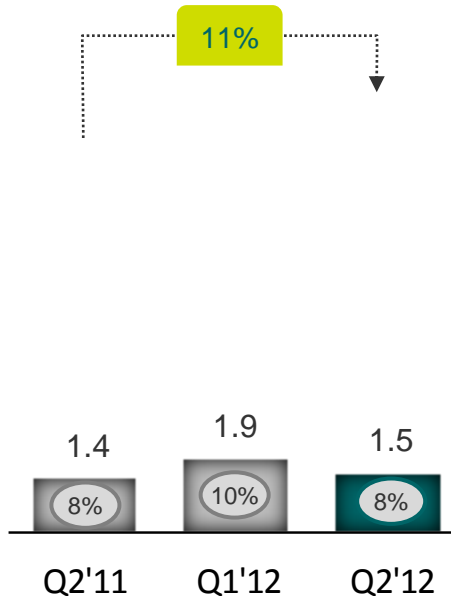
in €m  
in % of total revenue



- Continuing strong Investment into product/technology organization & sales/marketing
- 31 new FTEs in Q2
- 118 new FTE's yoy

## Marketing

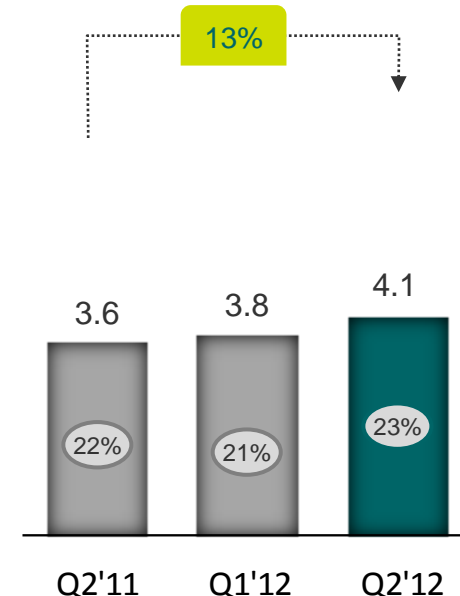
in €m  
in % of total revenue



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

## Other expenses

in €m  
in % of total revenue



- External services, legal, audit & consulting
- Payment processing, server hosting
- Rent & other costs
- Search Engine Optimization (SEO)

# Quarterly operating cashflow €3.9m

	Q2'12	Q1'12	Q1'12 vs. Q1'12	Q2'11	Q2'12 vs. Q2'11
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	5.1	4.8	0.3	5.7	(0.6)
Interest/tax/ESOP	(0.8)	(0.8)	(0.1)	(6.6)	5.8
Δ Net working capital	(0.4)	2.4	(2.8)	(0.1)	(0.3)
Operating cashflow excl. organizer cash	3.9	6.5	(2.6)	(1.1)	5.0
Investment – operating	(2.3)	(1.3)	(1.0)	(1.4)	(0.9)
Investment – acquisitions	0.0	0.0	0.0	0.0	0.0
Financing incl. transaction of own shares	1.7	0.0	1.7	4.0	(2.3)
Dividend / Special distribution	(3.0)	(20.0)	16.9	0.0	(3.0)
Free cashflow excl. organizer cash	0.3	(14.8)	15.1	1.5	(1.2)
Effects organizer cash	(0.3)	1.2	(1.5)	(0.2)	(0.1)
Free cashflow incl. organizer cash	(0.0)	(13.6)	13.6	1.3	(1.3)

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

*Backup*

# XING Talentmanager (Corporate Recruiter Account)

## Commercial launch in Q4



The screenshot displays the XING Talentmanager interface for a Corporate Recruiter Account. The top navigation bar includes the XING logo, a search bar for candidates, and user information for Franziska Schneider with links to Settings and Logout. The left sidebar shows 'My Projects' with a list of projects including IBM, Senior UI Interaction Designer, Art Director Online (m/w) (selected), Beiersdorf, Technical Business Development Manager (m/f), and Director Finance (m/w). Below this is a 'Team projects' section with projects assigned to Julia Wagner, Herbert Müller, and others. The main content area shows the details for the 'Art Director Online (m/w)' project, listing 46 candidates. Three candidates are visible: Patrick Munz, Markus Schmon, and Sven Müller, all with the title 'User Interface Engineer' and 'Mobile und Online Konzepter - Freelancer'. A dropdown menu is open over Markus Schmon, showing options: 'Contacted' (highlighted), 'Information sent', 'Appointment set', and 'Offer rejected'. Each candidate entry also shows the project name, recruiting status (Contacted), and message counts.

## USPs

- Search >12m profiles of highly qualified business professionals – completely anonymously
- Your projects, candidate lists, messages, etc. are all centrally stored and retained in the company rather than individual recruiter profiles
- Extensive project & candidate management options
- Wide range of collaboration tools
- Assign candidates to several different vacancies

# The XING AdCreator Launch in August 2012



The screenshot displays the XING AdCreator interface, which is divided into three main steps: 1. Anzeige erstellen (Create Ad), 2. Angaben überprüfen (Check Details), and 3. Bestätigung (Confirmation).

**Step 1: Anzeige erstellen**

- Wählen Sie ein Anzeigenpaket (Choose an ad package):** Users select from four packages: S, M (Max. 271.818 Impressions, 0.0011 €/Impression), XL, and Flex. A blue badge indicates 'Unsere Empfehlung' (Our recommendation) for the M package.
- Welche Mitglieder sollen Ihre Anzeige sehen? (Which members should see your ad?):**
  - Mitglieder aus folgenden Regionen: (Members from the following regions):** Includes checkboxes for Bundesländer (all, DE-Bundesländer, Baden-Württemberg, Bayern, Berlin, Brandenburg) and Städte und Gemeinden (all, Baden-Württemberg, Alb-Donau-Kreis, Baden-Baden, Biberach (Kreis), Röhlingen (Kreis)).
  - Aus folgenden Branchen: (From the following industries):** Includes checkboxes for all, Banken & Versicherungen, Bau & Herstellungsgewerbe, Beratung, Dienstleistungen, and Handel.
  - Mit folgenden Interessen: (With the following interests):** Includes checkboxes for all, Automobil, Film & Unterhaltung, Lifestyle, Medien & Marketing, Reisen, and Sport.

**Step 2: Angaben überprüfen**

- Potentielle Zielgruppe (Potential target audience):** 703.410 Personen.
- So sieht Ihre Anzeige aus: (How your ad looks):** A preview of the ad showing the XING logo, the user's profile (XING @ CeBIT), and the event details (Di, 06.03.2012, Hannover, Germany).
- Entspricht die Anzeige Ihrer Vorstellung? (Does the ad match your vision?):** A confirmation dialog asking if the user wants to use the image and event title for the ad, and if they are satisfied with the text.

**Step 3: Bestätigung**

- Vorteilsangebot der Woche (Weekly advantage offer):** A promotion for 'airline-direct' flights.
- Von Veranstaltern empfohlen (Recommended by organizers):** A list of events, including 'HIER STEHT DER TITEL IHRER EVENTS' (Here is the title of your event) for Friday, 28.09.2012 in Hamburg, Deutschland.

## XING's new self-booking ad tool

- Launch August 2012
- First use case: promote your event
- Further roll-out across the platform
- Important step towards social advertising

## User benefits

- Targeting with real data
- Outstanding ad placements on XING
- Total cost control
- Easy to use
- Individual XING support

# XING AG IR stats

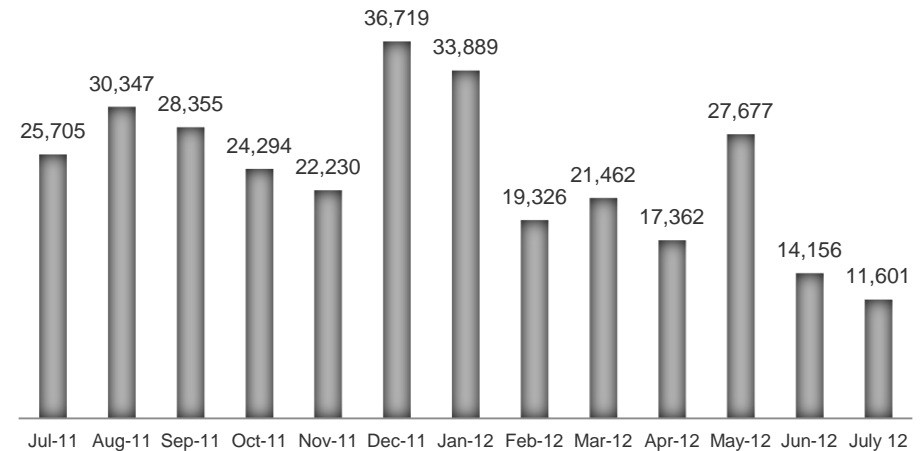
Market cap: ~€210m / ~€51m cash / no debt



Consensus  
(Analyst estimates, August 2012)

	2012e	2013e	2014e	2015e
<b>Total revenues</b>	<b>75.1</b>	<b>84.1</b>	<b>91.1</b>	<b>97.7</b>
<b>EBITDA</b>	<b>24.2</b>	<b>28.4</b>	<b>32.4</b>	<b>36.0</b>
<i>Margin</i>	32%	34%	36%	37%
Depreciation	-7.9	-7.9	-8.2	-8.8
<b>EBIT</b>	<b>16.3</b>	<b>20.5</b>	<b>24.2</b>	<b>27.1</b>
<i>Margin</i>	22%	24%	27%	28%
<b>Net income</b>	<b>11.2</b>	<b>14.0</b>	<b>16.7</b>	<b>18.9</b>
EPS in €	2.06	2.64	3.16	3.49
DPS in €*	0.60	0.72	0.86	1.00

Average trading volume per day (XETRA)



## Analyst coverage

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

## Shares

5,475,668

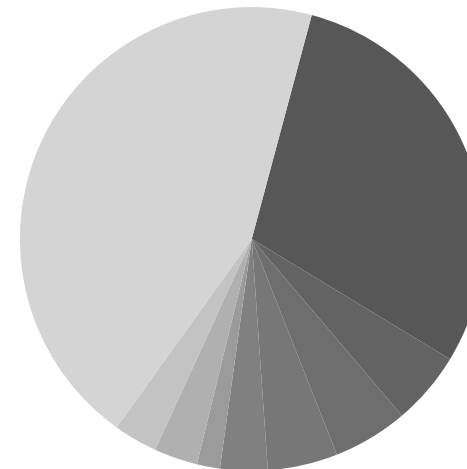
## TecDax ranking end of July 2012

## Market Cap.

27

## Turnover

20



- Burda Digital GmbH - 29.51%
- Ennismore - 5.11%
- HVB Principal Equity - 5.23%
- Cyrt Investments - 4.88%
- Whalerock Capital - 3.29%
- Treasury Shares - 1.61%
- Baillie Gifford - 3.04%
- Schroders - 3.06%
- Other 44.27%

Free float according to Deutsche Börse: 68.9%





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