



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

Q1 results

May 6, 2014

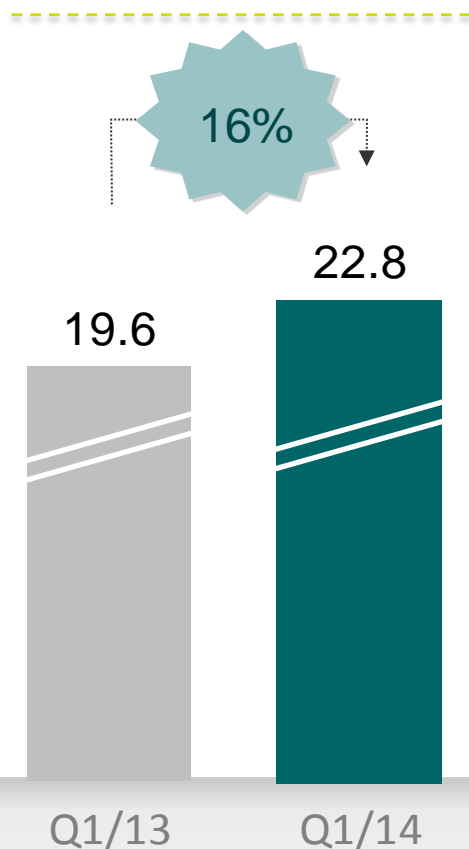


# Strong organic growth in revenues with 16%

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

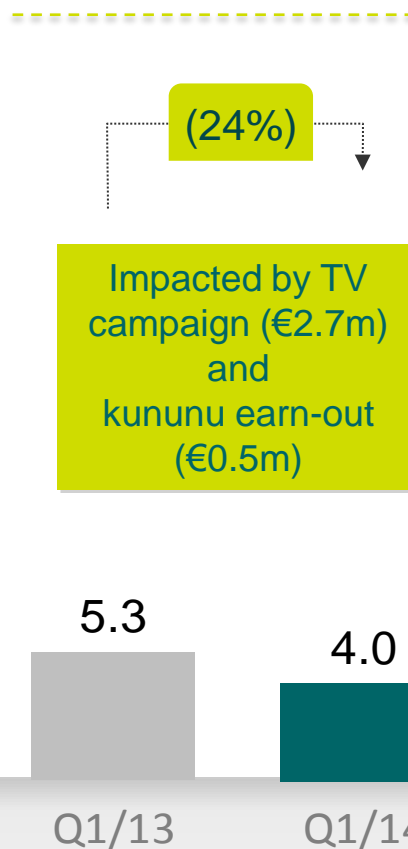
### Revenues

in €m



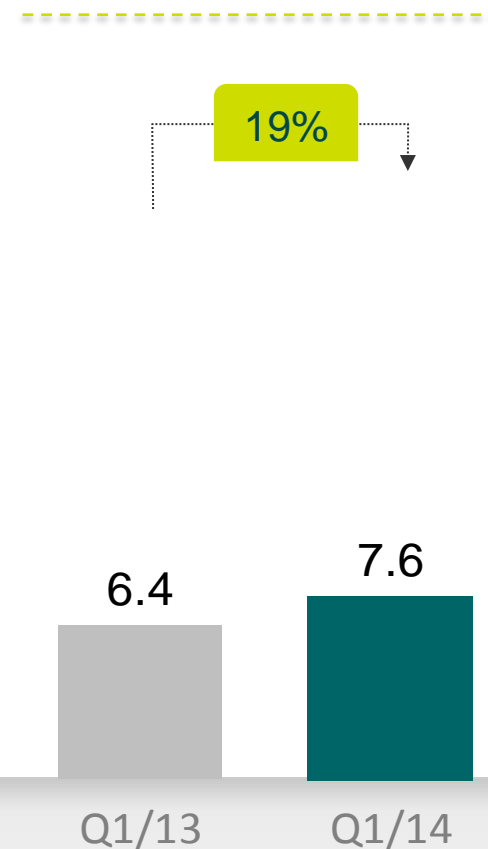
### EBITDA

in €m



### Operating cash-flow

in €m



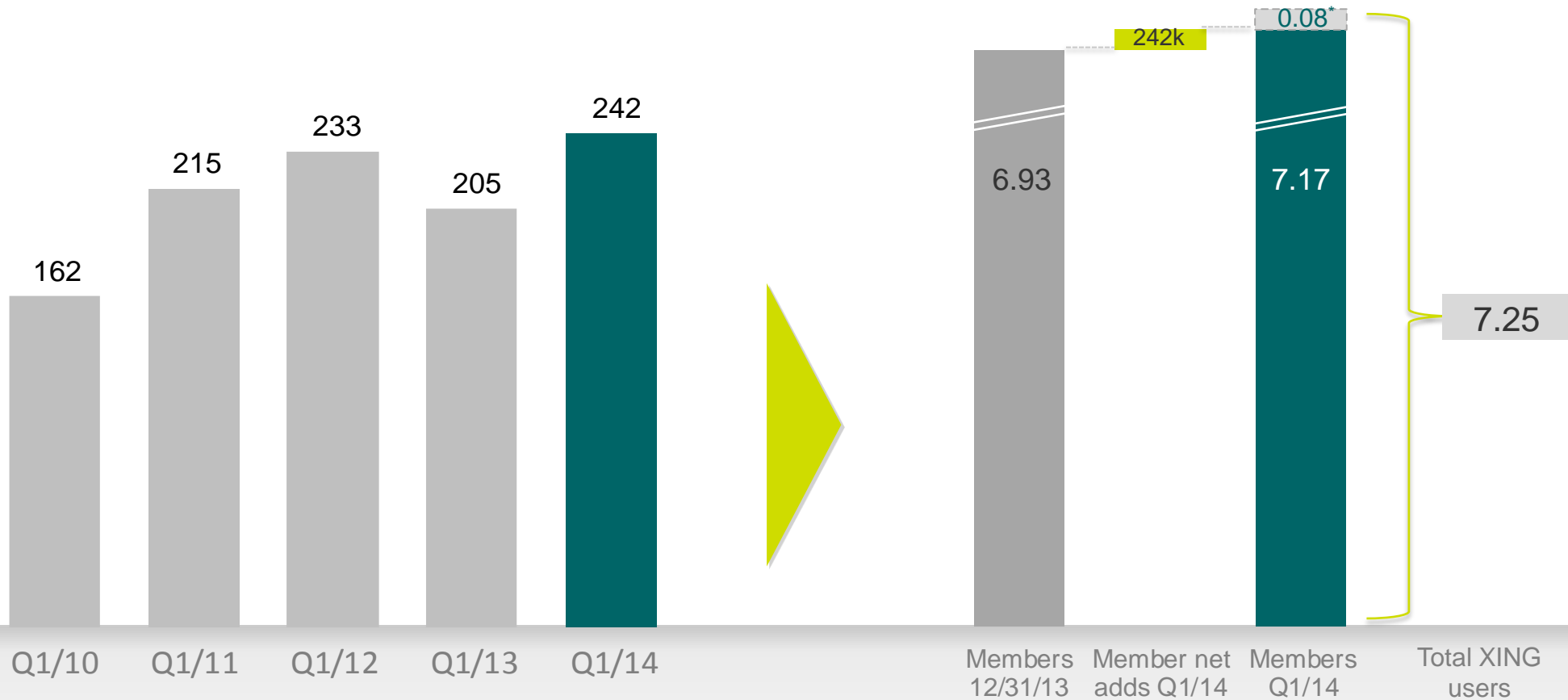
# Strongest member growth since 2009

Start communication of XING-EVENTS user development



[Member & total user base in million]

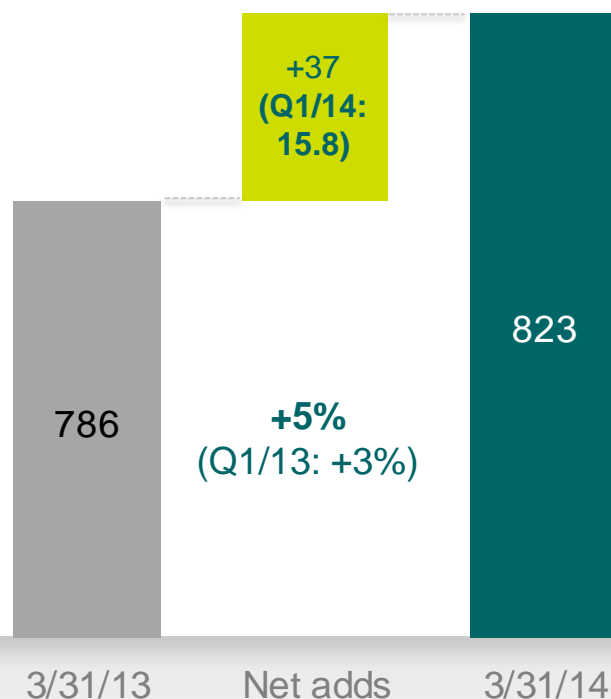
[Member & XING-EVENTS user net adds in thousands]



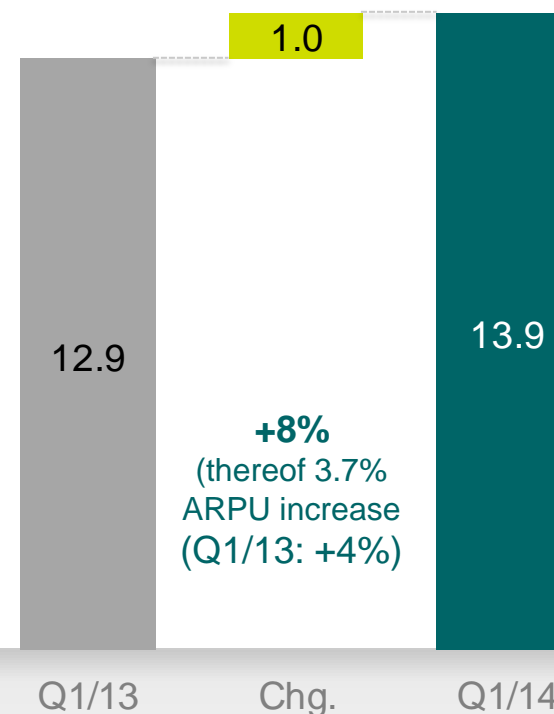
# Growth rate in Network / Premium segment doubled

## 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

Free coffee every Wednesday at Tchibo stores (670 in D-A-CH)



 Blinkist

**SIXT**  
rent a car

Free delivery



WELT  ONLINE

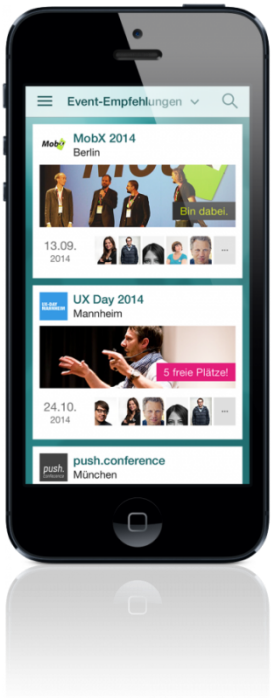
**lecturio**  
weiter | bilden

*FitnessFirst*

 DESIGN OFFICES

**HRS**  
The Hotel Portal

Mehr Zeit für  
das Wichtigste  
haben....



- 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

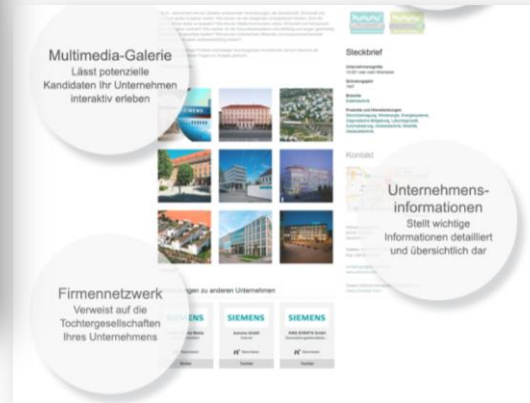
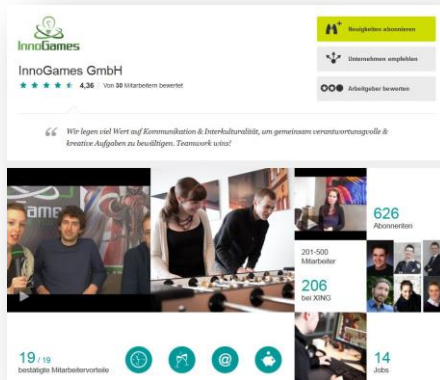
Total number of B2B-Event customers: 2,400 (+411 vs. Q1/13)<sup>1)</sup>

<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 vs. Q4/13	Q1/13	Q1/14 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> € 3.0m <sup>2</sup>	49% <sup>1</sup> 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

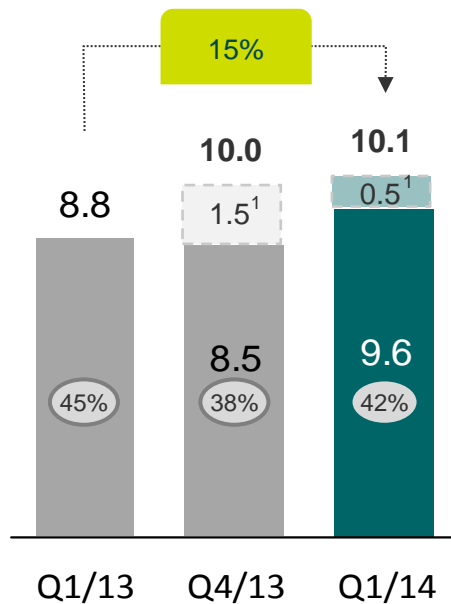
Q1/14

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

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

## Personnel

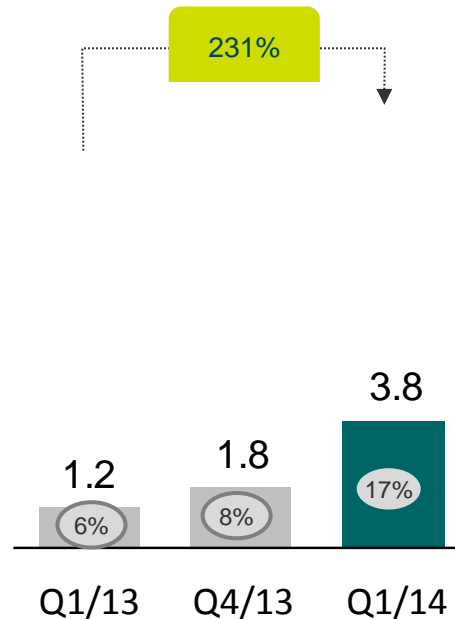
in €m  
in % of total revenue



- 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

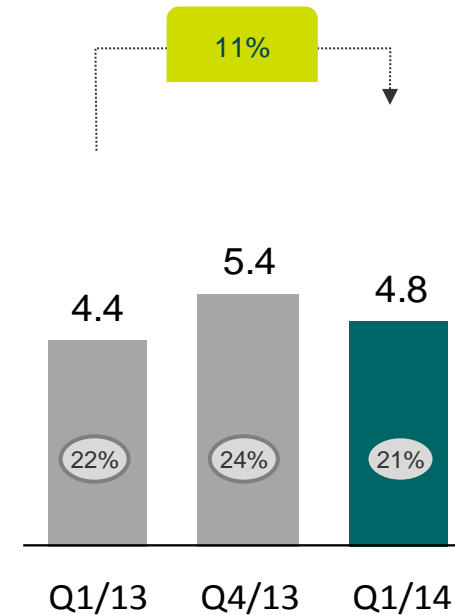
in €m  
in % of total revenue



- 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 vs. Q4/13	Q1/13	Q1/14 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. 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. transaction of own shares	0.0	0.6	(0.6)	0.0	0.0
Free cash flow excl. organizer cash & 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. 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. 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 March 2014 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 w/o cash</b>	<b>(€18.5m)</b>

# Investor information & contact

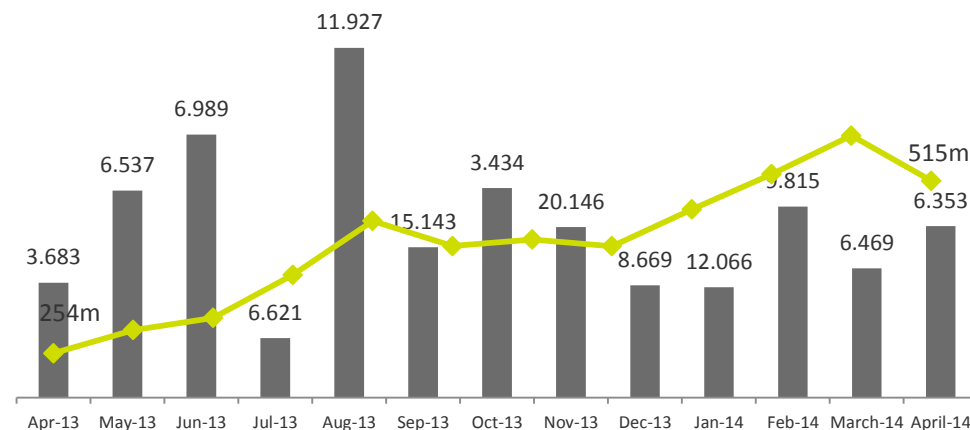
# XING AG IR stats

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



Consensus (Analyst estimates as of April, 2014)	Consensus from 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%

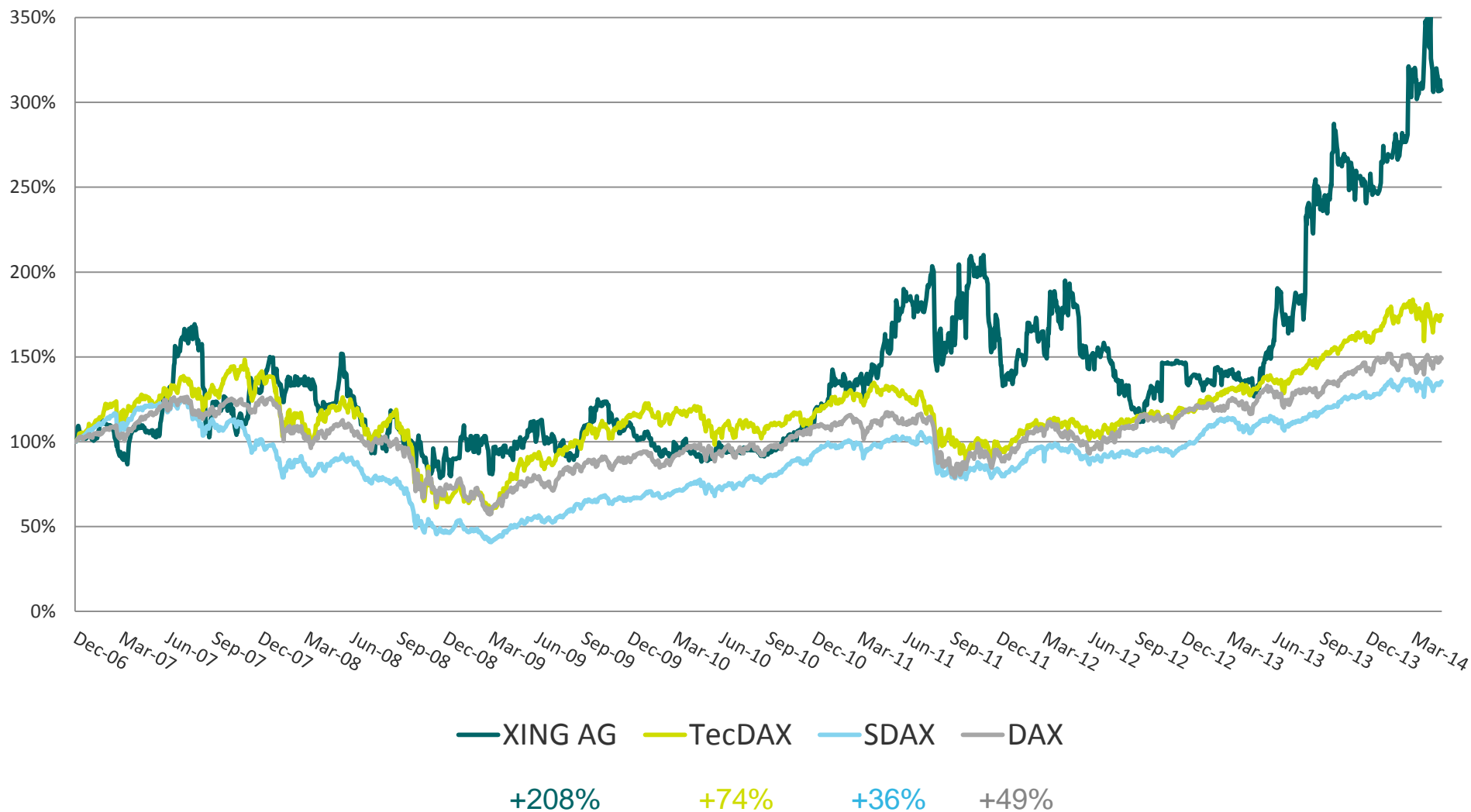
Numbers based on last filing – actual shareholdings can differ

## 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





### Patrick Moeller

Director Investor Relations

XING AG

Dammtorstraße 29-32

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)

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

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