

Q2 2019 - Results Presentation

Hamburg, August 13 2019



XING^x

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Executive Summary Q2 2019 – Fully on track

Financials

- Service revenues: +18% (excl. M&A: +16%)
- EBITDA +18%
- Net Income +7%

Operations

- B2C: XING platform adding 478k members / InterNations adding 73k members
- B2B E-Recruiting: Subscription customers up by 33%

Macro situation & M&A strategy

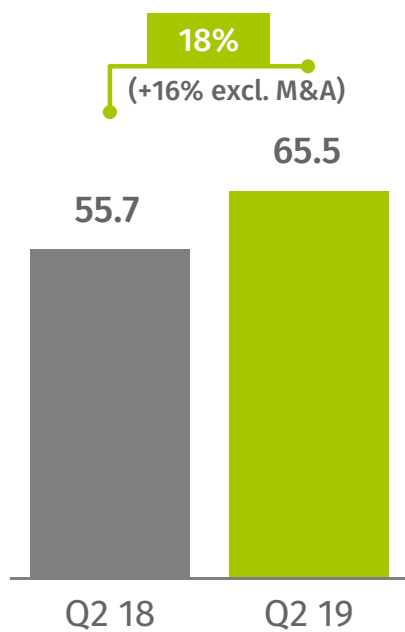
- XING will further benefit from increasing talent scarcity
- Honeypot is a perfect fit with our E-Recruiting offering



Revenues, EBITDA & Net Income growing nicely

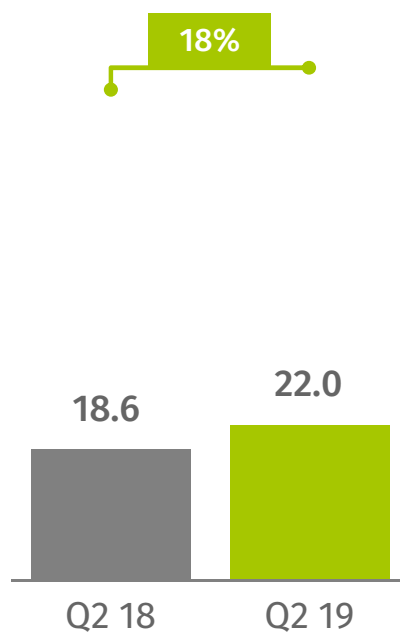
Service Revenues

- in €m -



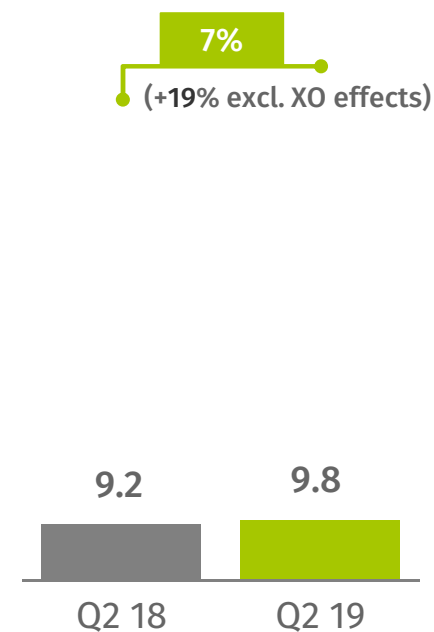
EBITDA

- in €m -



Net Income

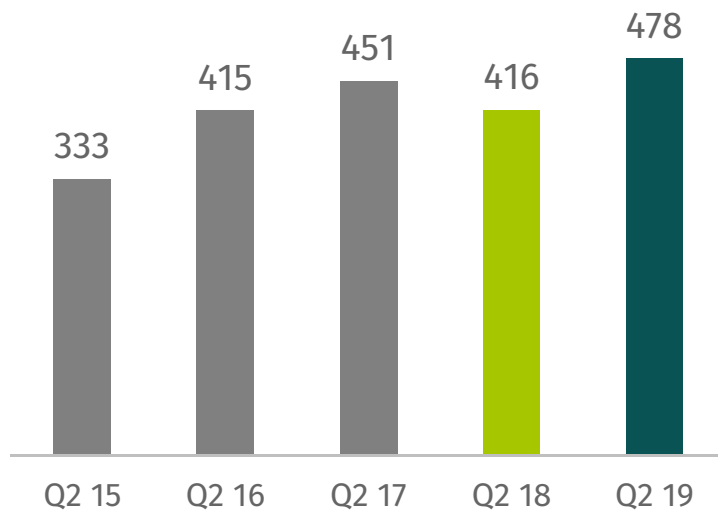
- in €m -



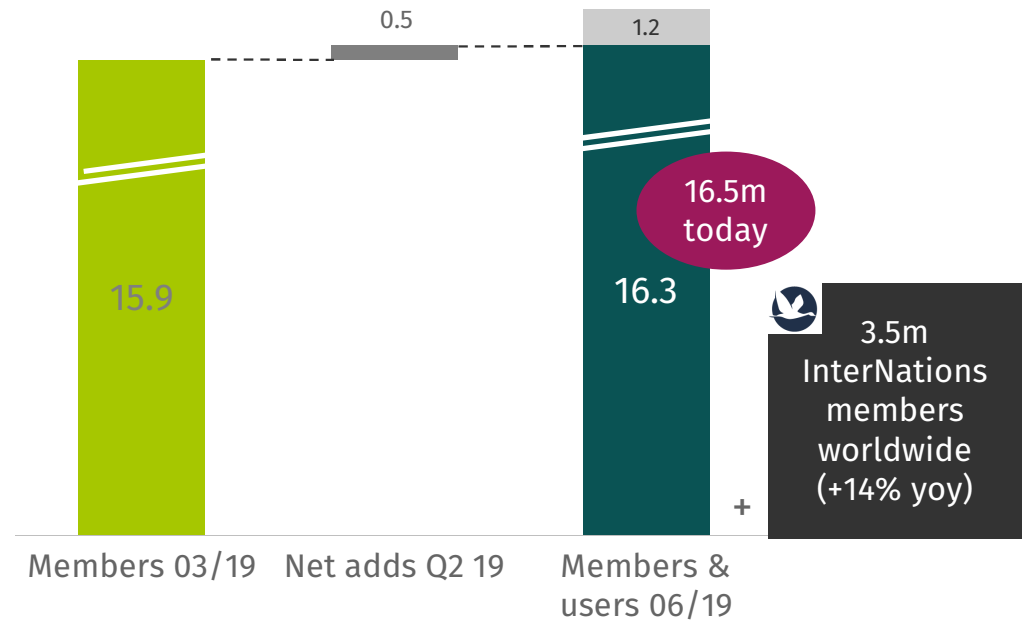


Strongest net member growth of a second quarter in our history – InterNations also growing nicely

Member growth D-A-CH
- in 000s -



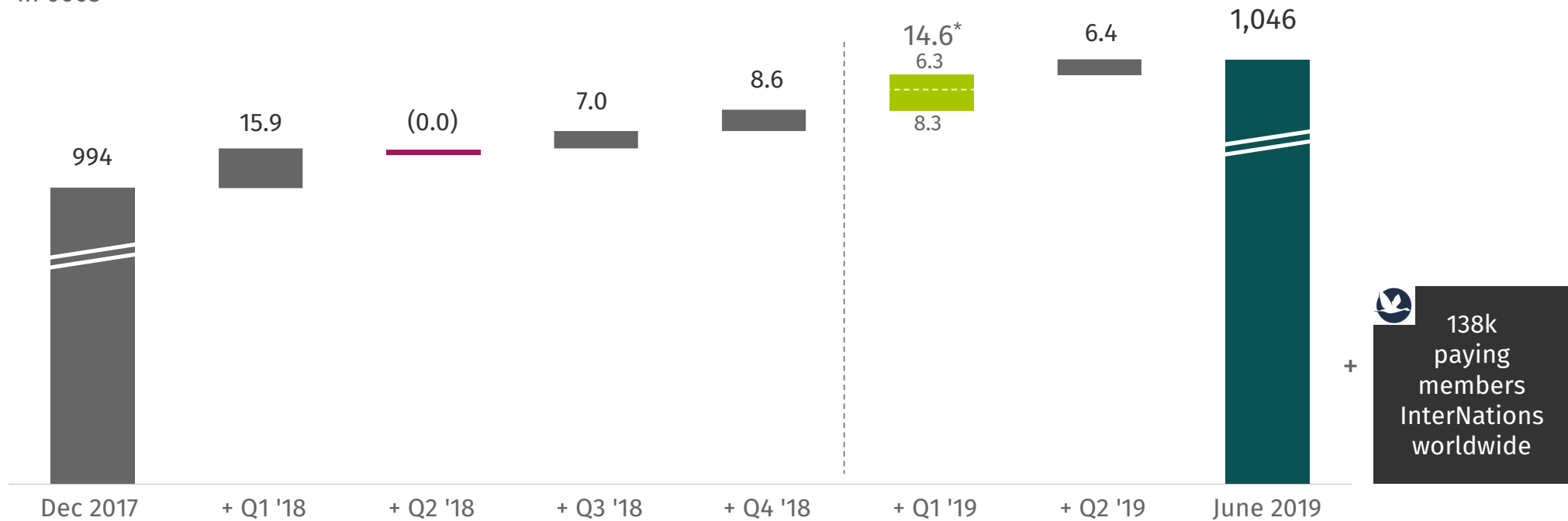
Members + users D-A-CH
- in m -





Q2 payer growth @XING D-A-CH w/ 6k

Paying members D-A-CH - in 000s -

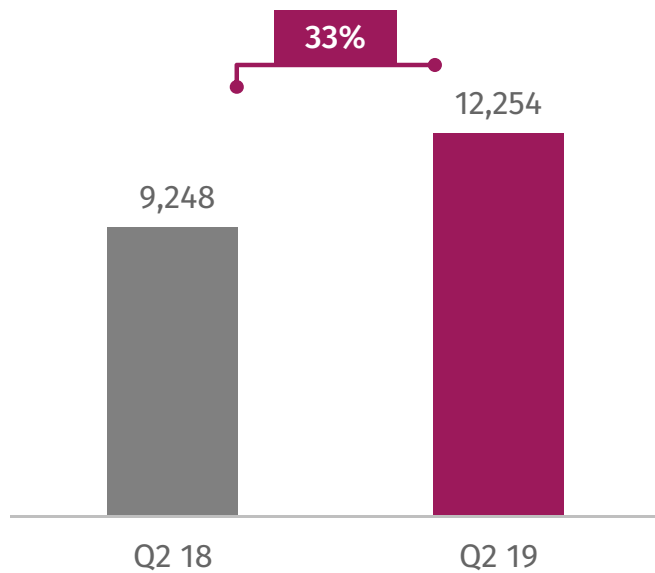


Rounding differences possible

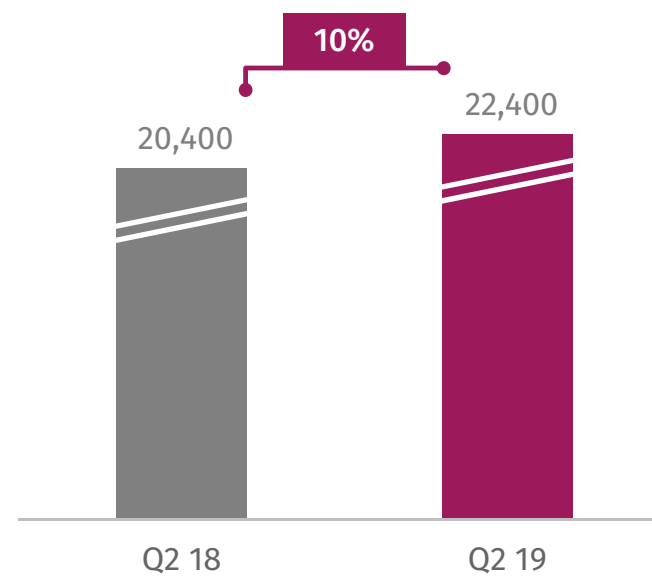


B2B E-Recruiting subscription customers growing 33% yoy

B2B E-Recruiting subscription customers in D-A-CH*



Total B2B E-Recruiting customers in D-A-CH*

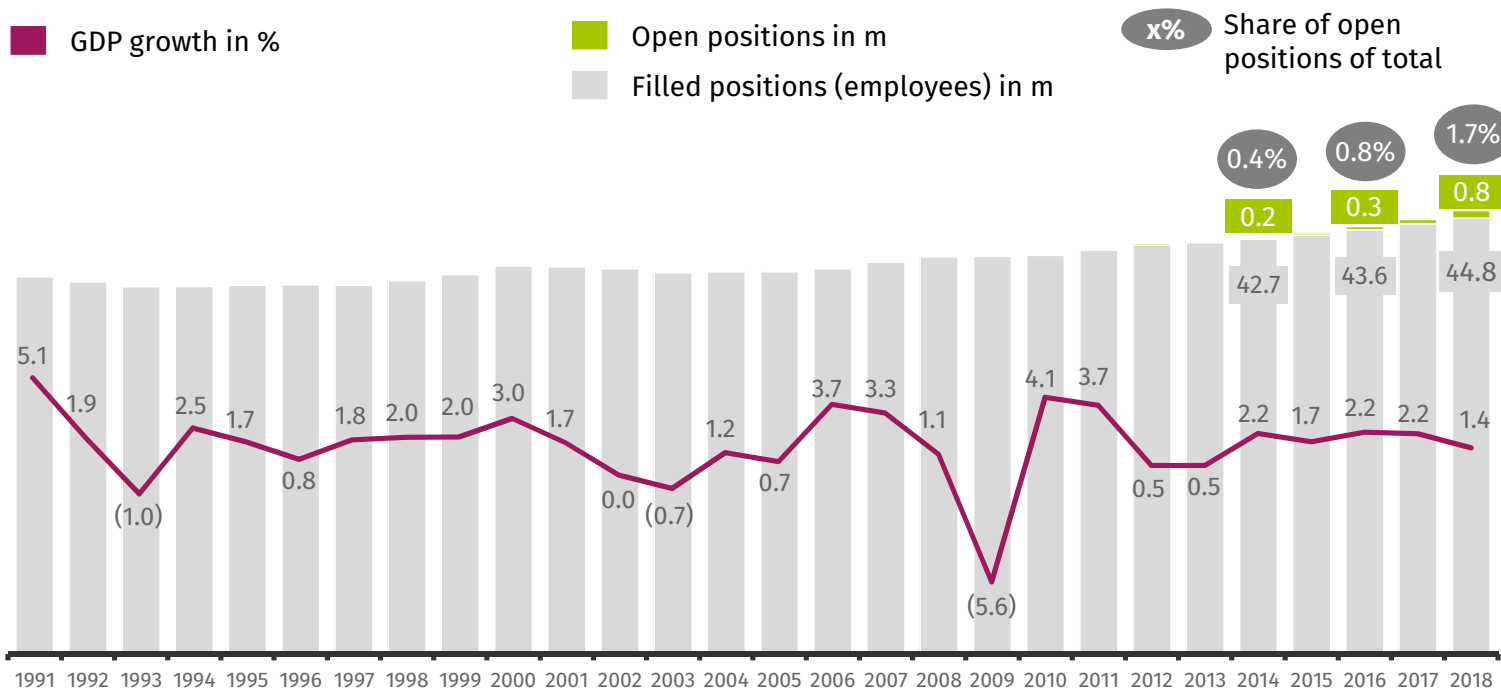


* Excl. Prescreen and Honeypot



Macro situation: XING to further benefit from increasing talent scarcity

GDP growth, occupations and open positions in Germany



- Trend of open vs. filled positions in Germany shows **increasing number and share of open positions** that cannot be filled
- **Opportunity costs** for economy of open positions in **2017 estimated at € 30bn**
- **Resource scarcity** even **stronger** among **smaller companies**

2020-2030: Due to demographics, candidate supply will decline by ~4m
Ever growing need for modern employer branding, recruiting & hiring solutions



M&A Recap: Honeypot is perfect fit for XING's E-Recruiting solutions

Tech talent access
before honeypot acquisition



Honeypot
tech candidate access

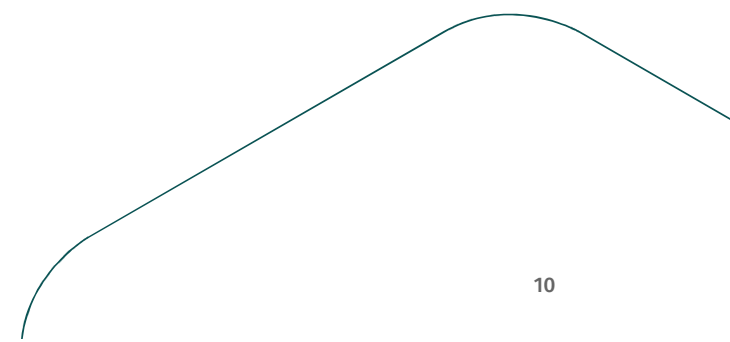


- **Leads:**
>350 XING HR Experts know when their customers are looking for an IT pro and generate **leads for Honeypot**
- **Size:**
Significant **increase** of „talent pool“ (domestic & cross-border)
- **Efficiency:**
HR interacts with **active seeking** tech talent only, thus high response rates from candidates

Tech talent is one of the most sought-after talent groups in general with high affinity for cross-border recruitment



Q2 2019 Financial Results





Q2 Financials

- Very strong member growth in Q2
- Revenue growth of 18% yoy; 2%-point contribution by Honeypot
- EBITDA of € 22.0m with a margin of 34%
- Operating cash flow at € 16.4m
- Confirming FY outlook w/ EBITDA of € 84m incl. Honeypot



New Work SE name change has become effective Public launch in October 2019

- New Work SE trading since August 1st, 2019
- New ISIN: DE000NWRK013
- New WKN: NWRK01
- New Ticker: NWO
- Bloomberg: NWO:GR
- Reuters: NWOOn.DE



Q2 2019 P&L: € 65.5 revenues; € 22.0m EBITDA

	Q2 2019	Q2 2018	Q2 2019 vs. Q2 2018	Q1 2019	Q2 2019 vs. Q1 2019
	Abs.	Abs.	Rel.	Abs.	Rel.
Service revenues	65.5	55.7	18%	62.6	5%
Other operating income	0.5	0.6	(11%)	4.8	(89%)
Capitalized own work	6.5	6.5	0%	5.6	15%
Costs before capitalization	(50.6)	(44.2)	15%	(55.4)	(9%)
EBITDA	22.0	18.6	18%	17.7	24%
Margin	34%	33%	0%pts	28%	5%pts
D&A	(6.7)	(5.3)	26%	(5.9)	13%
Financial result	(0.5) ^{***}	0.2 ^{**}	N/A	1.0 [*]	N/A
Taxes	(4.9)	(4.3)	14%	(3.9)	25%
Net income	9.8	9.2	7%	8.9	11%
EPS	1.75	1.64	7%	1.58	11%

* Positive one time effect from first consolidation of kununu US in amount of € 1.3m

** Positive one time effect due to release of earn-out-provisions of € 0.8m

*** Negative one time effect due to change of earn-out-provisions of € (0.2m)

Rounding differences possible



Increasing margins in B2B; Investments in future growth impact margins in B2C

	Segment EBITDA	Q2 19 Margin	Q2 18 Margin	▲ Comment
B2C	€ 7.5m	29%	44%	Investments in new products
B2B E-Recruiting	€ 22.7m	66%	64%	
B2B Marketing Solutions & Events	€ 2.0m	35%	25%	
kununu International	€ (0.5m)	N/A	N/A	
Tech, Central Services & Other	€ (9.8m)	N/A	N/A	
Total EBITDA	€ 22.0m	34%	33%	

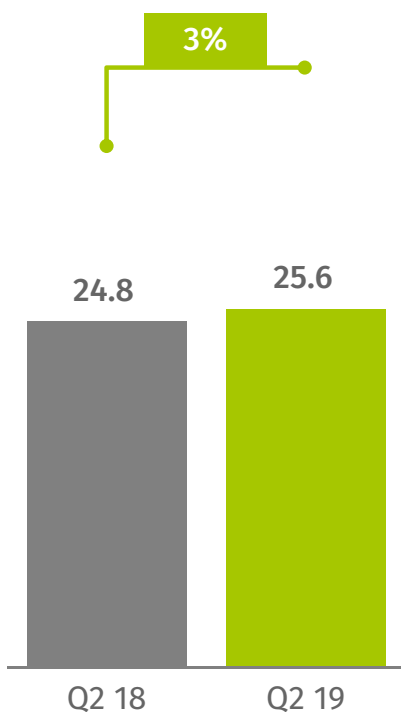
- B2C investments drive also monetization basis for B2B
- B2B margins reflecting „by-product economics“



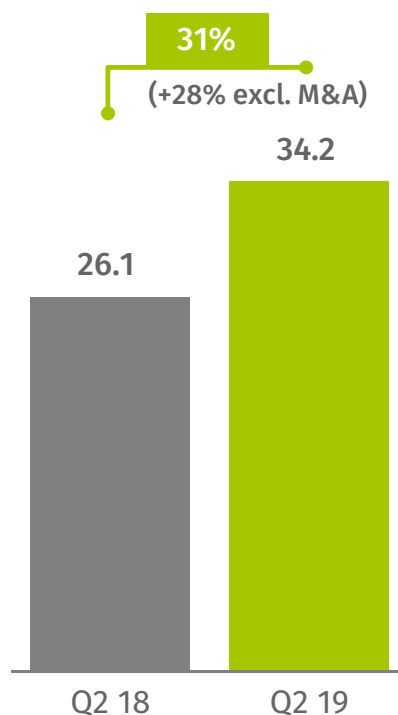
Q2 2019: B2B segments driving topline growth



B2C



B2B E-Recruiting



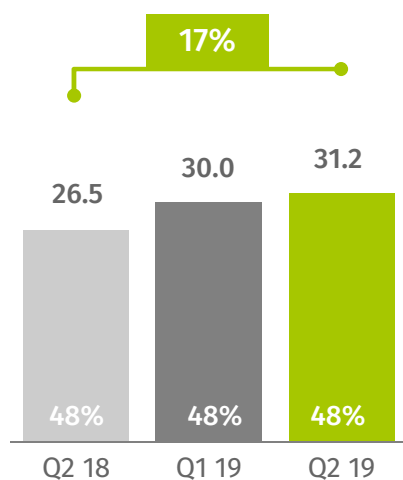
B2B Marketing Solutions & Events



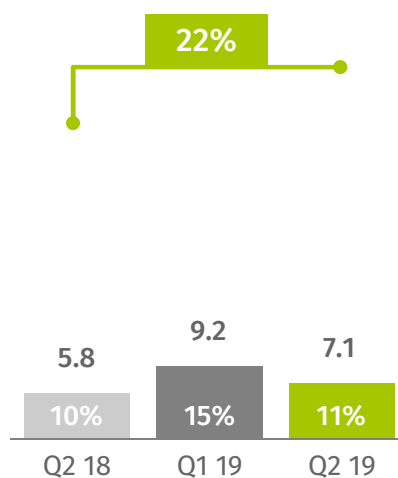


Q2 2019: Cost development before capitalization

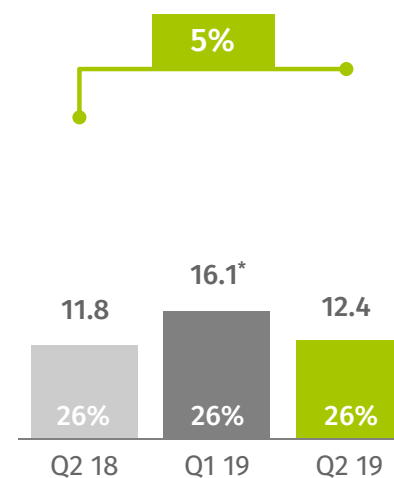
Personnel
in € m and in % of revenues



Marketing
in € m and in % of revenues



Other expenses
in € m and in % of revenues



- +322 FTEs yoy (incl. 64 through HON M&A)
- Investment in product/tech org & sales/marketing
- Incl. non-operating costs

- Online display & social media
- SEM
- B2B E-Recruiting media campaign

- External services
- Server hosting
- Payment processing
- Travel & entertainment
- Other
- Special items: One-time new HQ costs, Cost front-loading

* Other expenses negatively impacted by € 2.9m related to the conclusion of a new office lease contract



Q2 2019: Strong operating cash flow of € 16.4m

	Q2 2019	Q2 2018	Q2 2019 vs. Q2 2018	Q1 2019	Q2 2019 vs. Q1 2019
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	22.0	18.6	3.3	17.7	4.3
Interest / tax / other	(2.5)	(2.2)	(0.3)	(2.3)	(0.2)
Change in net working capital	(1.7)	0.4	(2.1)	17.1	(18.9)
Non-cash changes from changes in basis of consolidation	(1.4)	0.0	(1.4)	(3.8)	2.4
Operating cash flow excl. organiser cash	16.4	16.8	(0.5)	28.8	(12.4)
Investment – operating	(9.1)	(9.6)	0.5	(8.0)	(1.2)
Investment – acquisitions & joint venture	(22.5)	(4.6)	(17.9)	(2.5)	(20.0)
Investment – financial assets	0.0	0.0	0.0	0.0	0.0
Interests paid, FX rate diff. & lease liabilities	(1.3)	(0.7)	(0.7)	(1.2)	(0.1)
Cash-flow excl. dividends & organiser cash	(16.6)	1.6	(18.2)	17.1	(33.7)
Regular dividend	(12.0)	(9.4)	(2.6)	0.0	(12.0)
Special dividend	(20.0)	0.0	(20.0)	0.0	(20.0)
Cash-flow excl. organiser cash	(48.7)	(7.8)	(40.8)	17.1	(65.8)
Effects organiser cash	(1.0)	(0.5)	(0.5)	2.8	(3.8)
Cash-flow incl. organiser cash	(49.7)	(8.3)	(41.3)	19.9	(69.5)

Investments acquisitions: € 20.3m Honeypot; € 2.2m InterNations

Thank you
for your attention.

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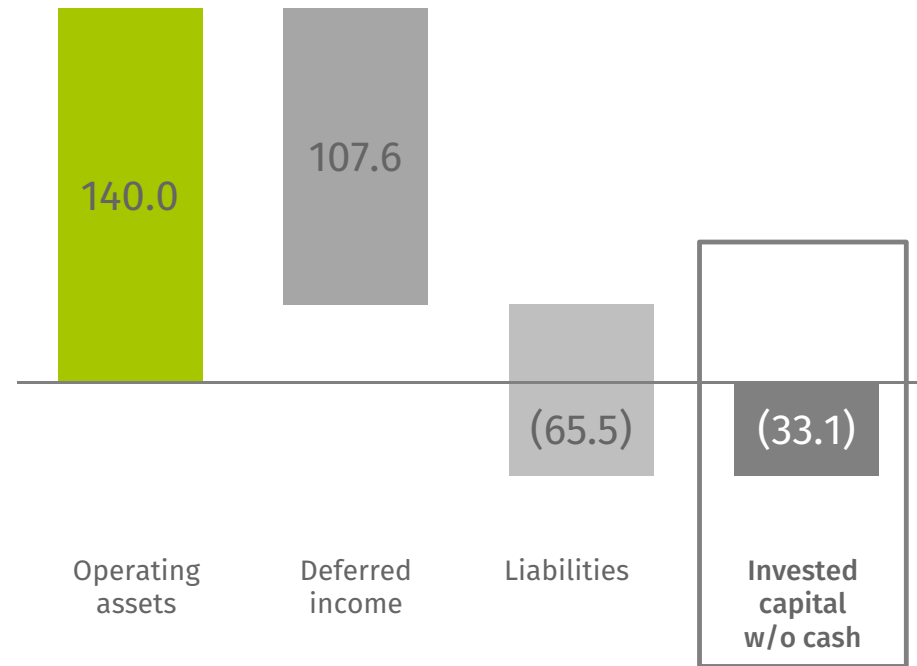
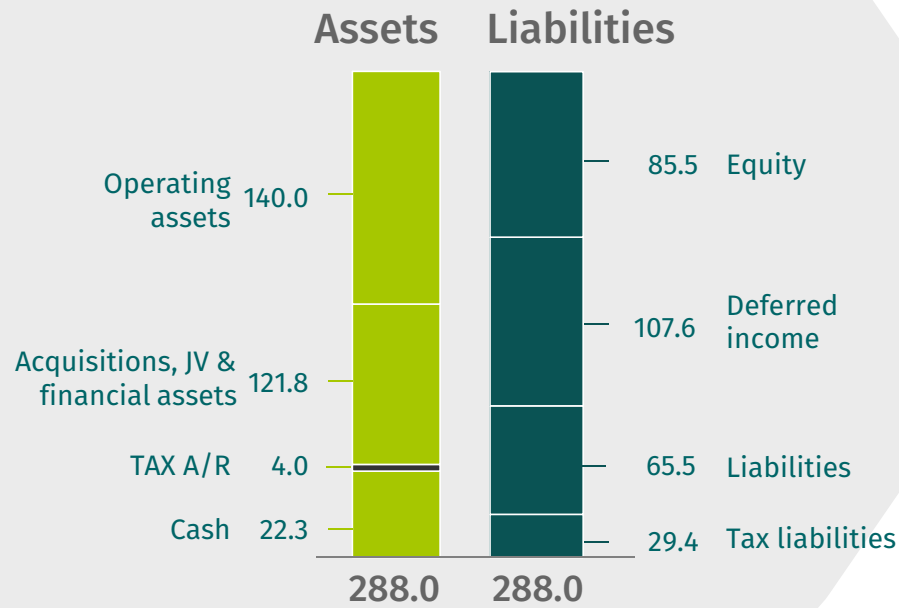
Backup





Negative invested capital from shareholders' perspective

Excl. event organiser cash and NWC
in €m



Consensus, investor information & contact details



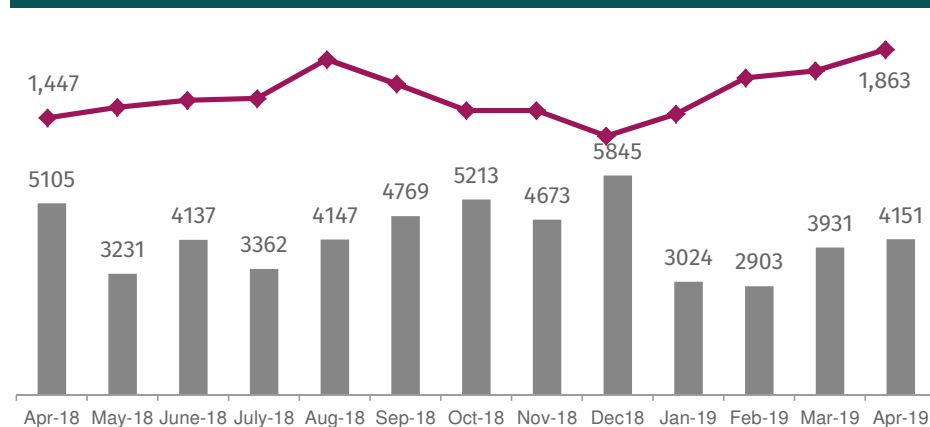


New Work SE IR stats

Consensus collected by IR	2019e	2020e	2021e
Service revenues	278.0	315.0	349.0
EBITDA	87.7	104.6	121.2
Margin	32%	33%	35%
D&A	(30.5)	(34.1)	(37.6)
EBIT	57.2	70.6	83.6
Margin	21%	22%	24%
Net income	37.9	47.9	55.7
EPS in €	6.80	8.50	9.84
DPS in €	2.56	3.11	3.58

Analyst coverage	Berenberg , Commerzbank, Deutsche Bank, Hauck & Aufhäuser, MM Warburg, Pareto Securities
Shares	5,620,435

Average trading volume per day (XETRA) & market cap (in €m)



Burda Digital GmbH (DE)	50.26 %
Oppenheimer (US)	5.04 %
Wasatch Advisors	3.02 %
Rest	41.68 %

Numbers based on last filing – actual shareholdings can differ



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