

Capital Markets Briefing – XING 2020

September 15, 2016





Executive Summary

Recap XING 2012 - 2016

- We will keep our promise and double 2012 revs by 2016
- Success based on new mission, strategy and org
- Strong track record / value accretive M&A

Market Opportunities - Summary

- Structural megatrends support our aspirations
- We aim to reach 2/3 white collar professionals by 2020
- Large market opportunities both in B2C and B2B

Key initiatives - Summary

- Continued revenue growth through innovation in existing products
- Additional growth opportunities through new products – partly supported through M&A
- Our target – keep growth speed and reach ~100m EBITDA in 2020

Financial outlook - Summary

- Grow topline 17-20%
- Slightly increase EBITDA margin to ~33%
- Reach ~ 100m EBITDA



Agenda

Recap XING 2012 - 2016

Targets 2020 and Market Opportunities D-A-CH

Key Initiatives 2017 - 2020

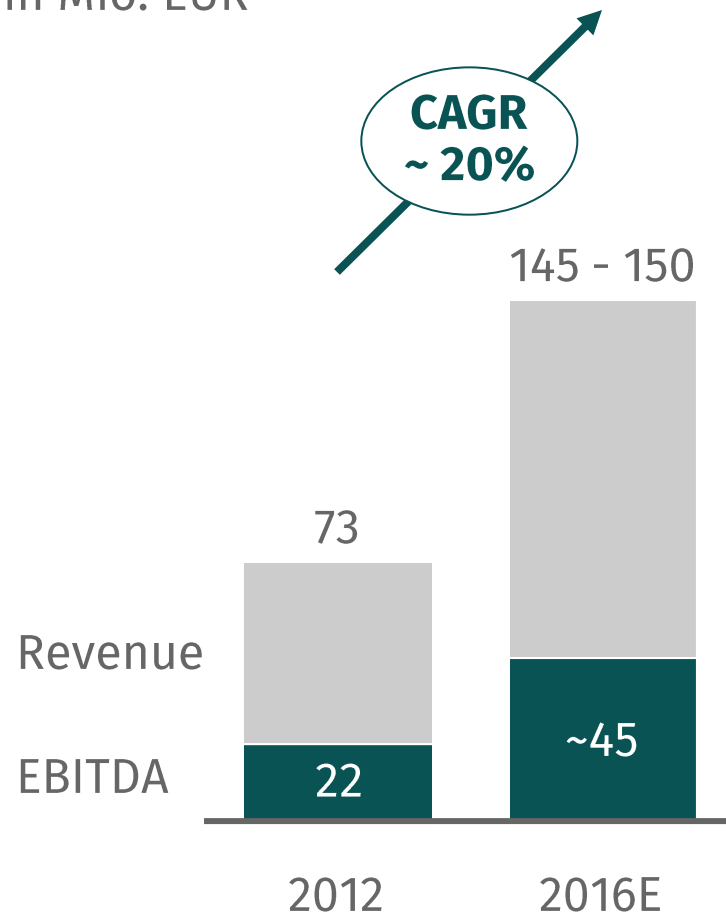
Financial Outlook XING 2020

Recap XING 2012 - 2016

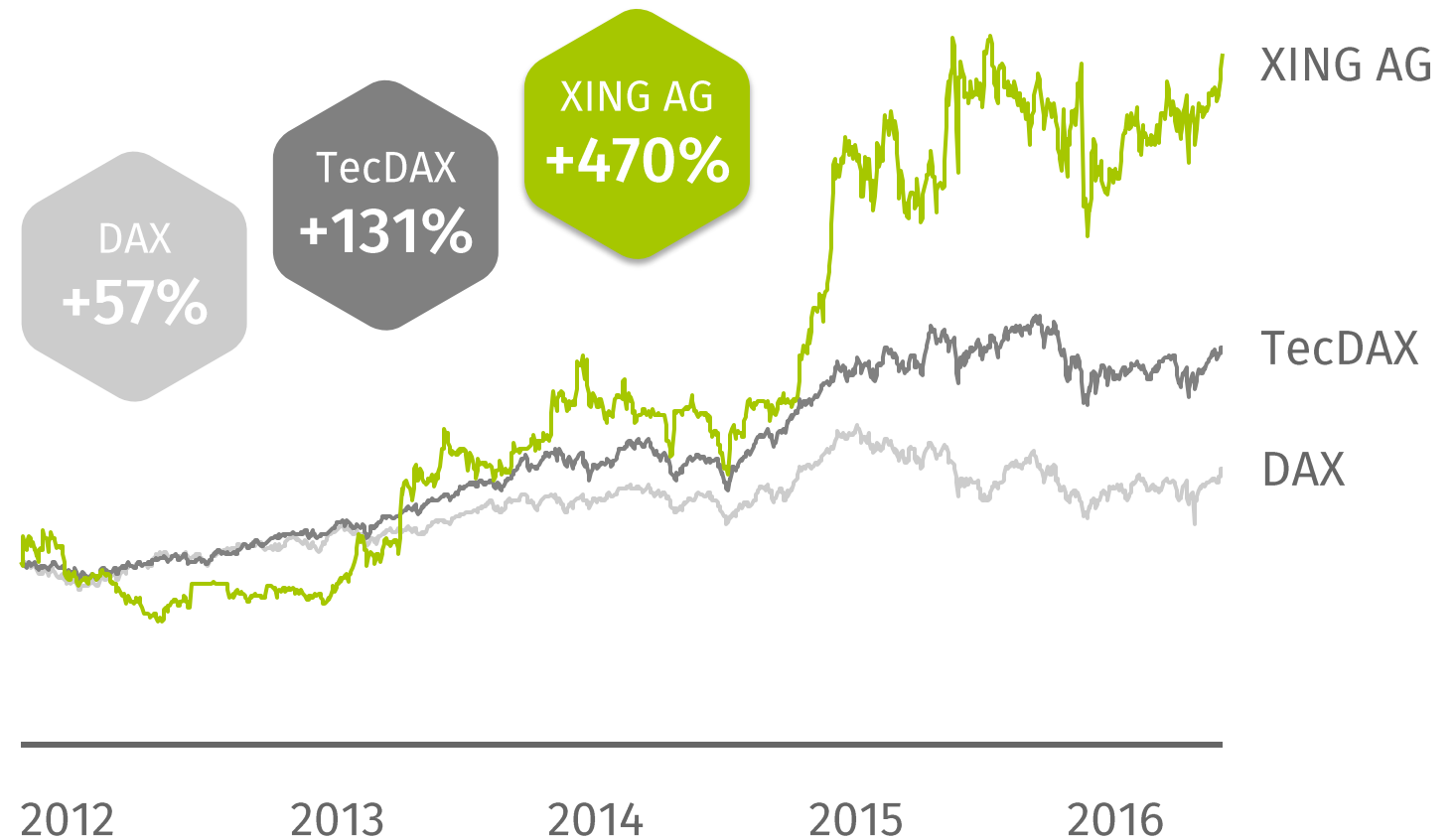


We will keep our promise and will double 2012 revenues and EBITDA by 2016

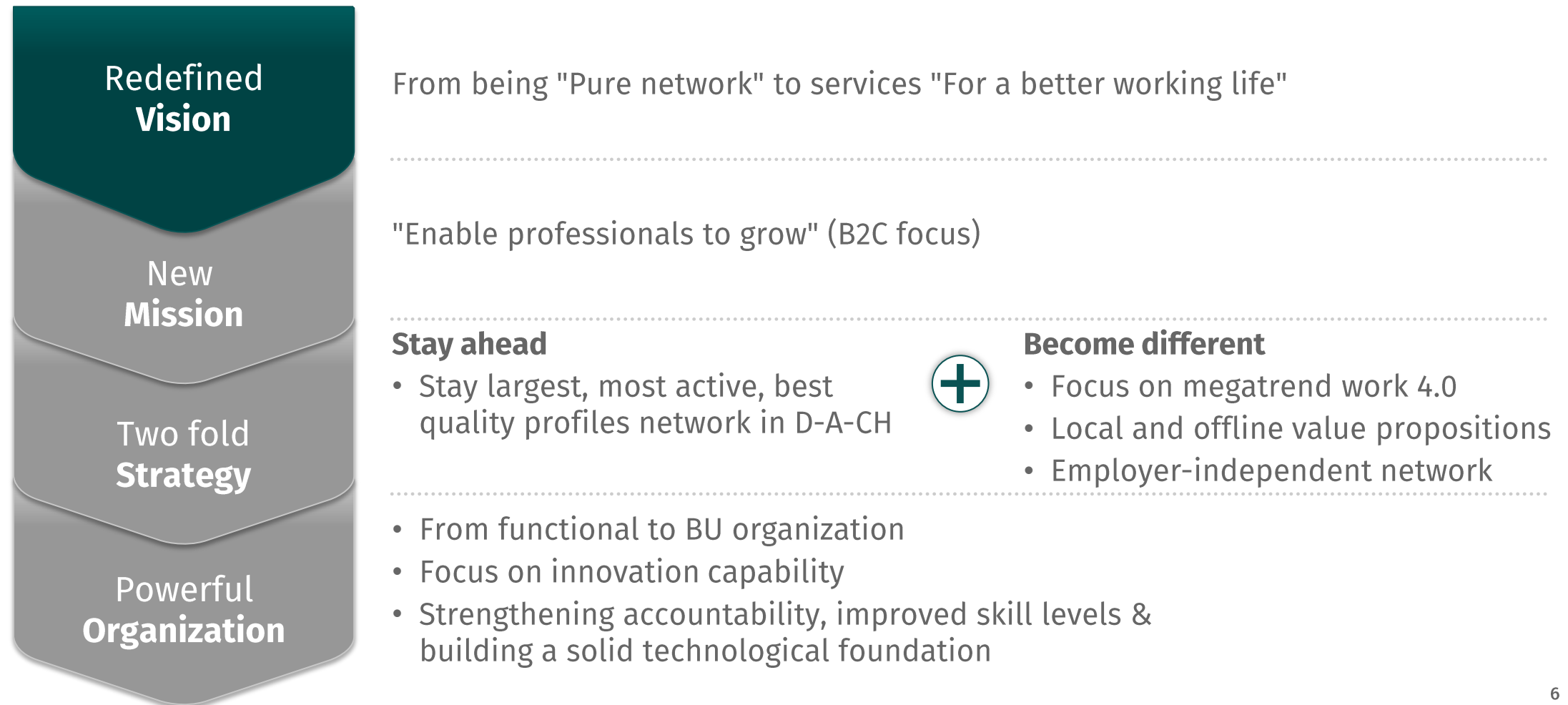
in Mio. EUR



XING share price development since Jan 2013



Success of XING due to consequent change of organization based on new vision and mission



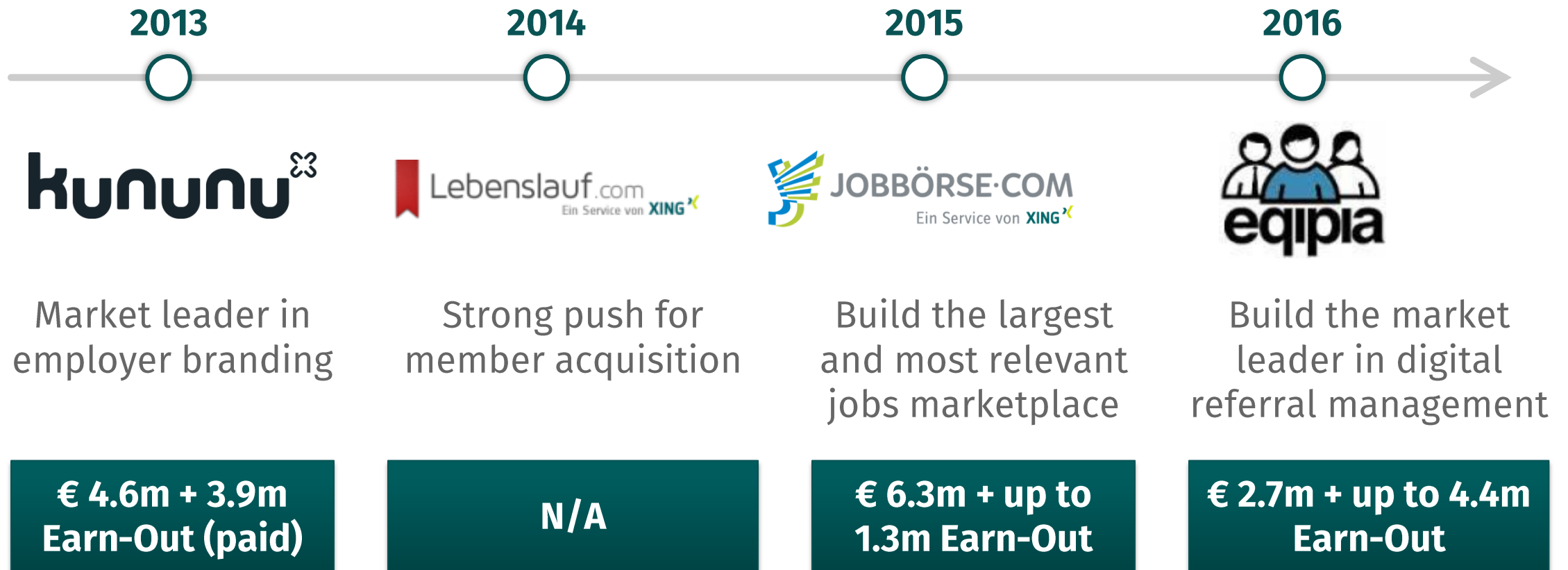
Organizational changes as driver for innovation

Organizational Innovation 2012 - 2016

Product	Marketing	Sales	Central
<ul style="list-style-type: none">• Strong innovation• Faster execution	<ul style="list-style-type: none">• Regular TV campaigns• Increased B2B marketing• Optimized B2C marketing	<ul style="list-style-type: none">• Sales force from 64 (2012) to >150 (2016)• Increased sales productivity (+30%)• Switch to "hunter/farmer" model	<ul style="list-style-type: none">• Ramp up data science• Establishing Central procurement• Successful M&A• Improved HR processes

*Setting the stage for further growth of XING (from 5 to 8 BU's)
to secure innovation und new product launches 2016ff*

Building strong M&A track record



Market Opportunities



Megatrends strongly support our aspirations

Digitization



Shortage of skilled workforce



Changes in values of Generation Y



B2C Impact

- Work anywhere & any time
- Need for digital/mobile offers

- Employer assessment
- Shorter retention times

- Flexibility, independence, and self-determination
- Suitable work-life balance

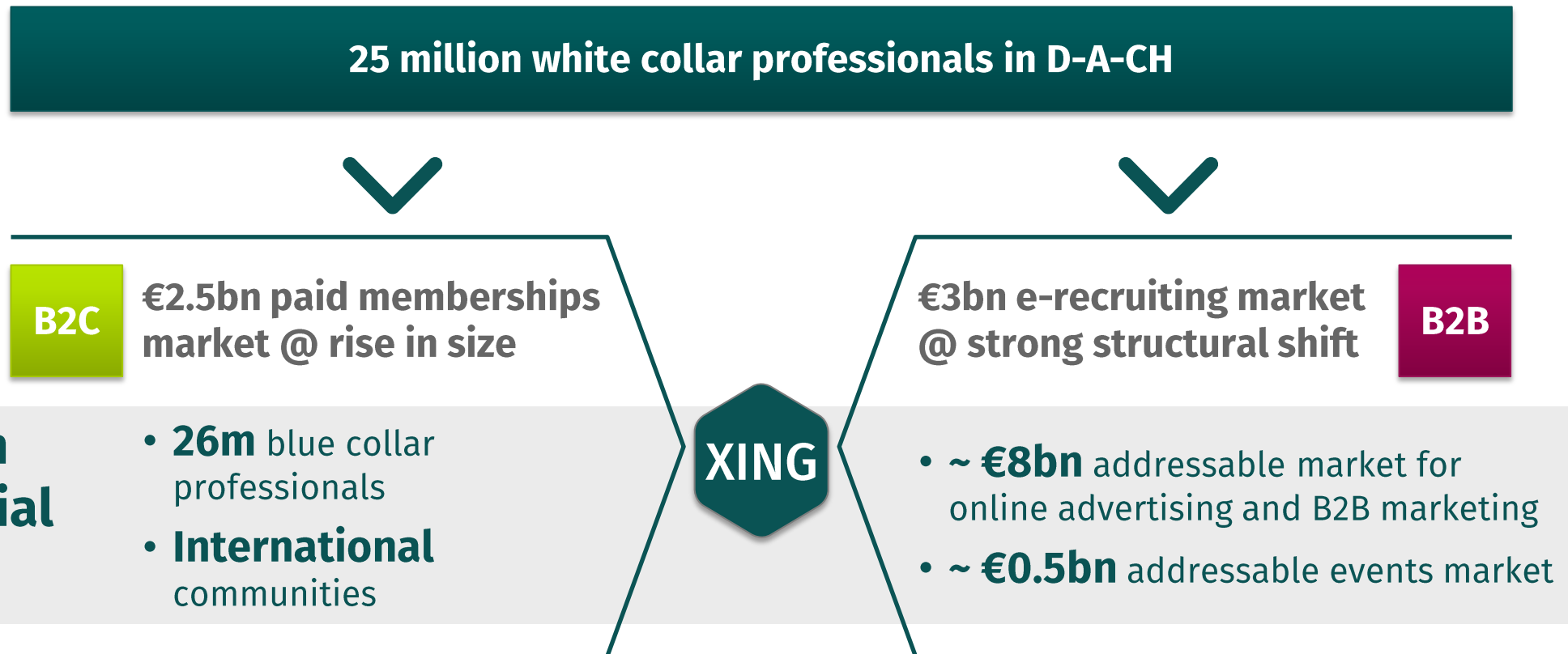
B2B Impact

- Adaptation of business models
- Strong need for digital experts

- Increasing "war for talent"
- Need for proactive recruiting and employer branding

- New leadership styles
- Flexibly regarding incentives and sabbaticals

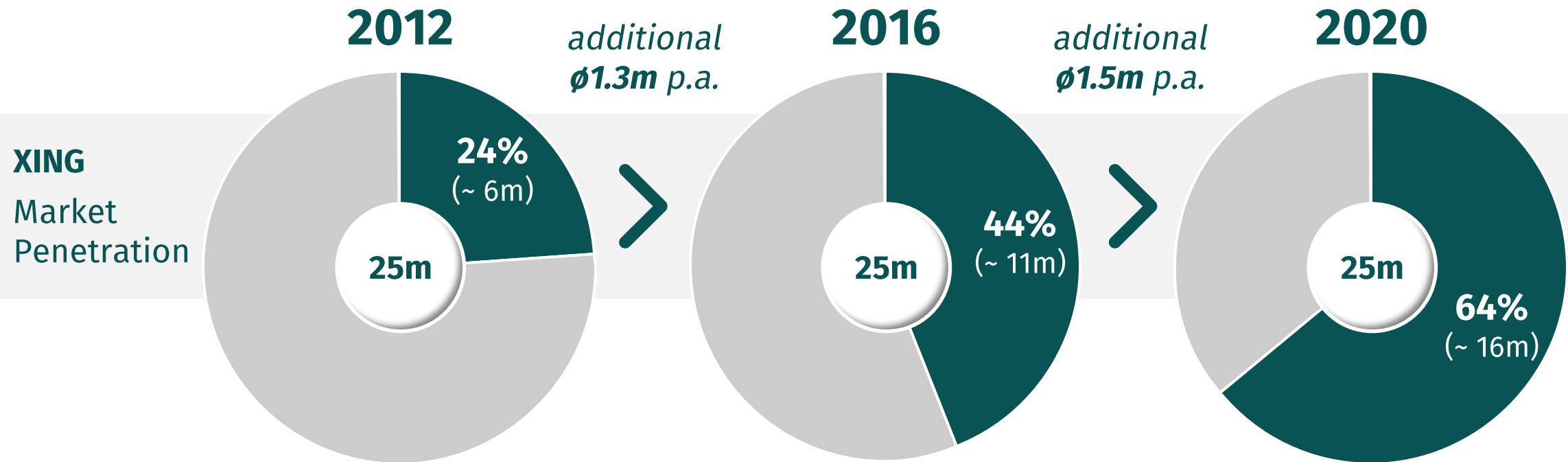
Abundant opportunities to further exploit 25m white collar and €3bn E-Recruiting market in D-A-CH



We aim to reach 2 out of 3 white collar professionals by 2020



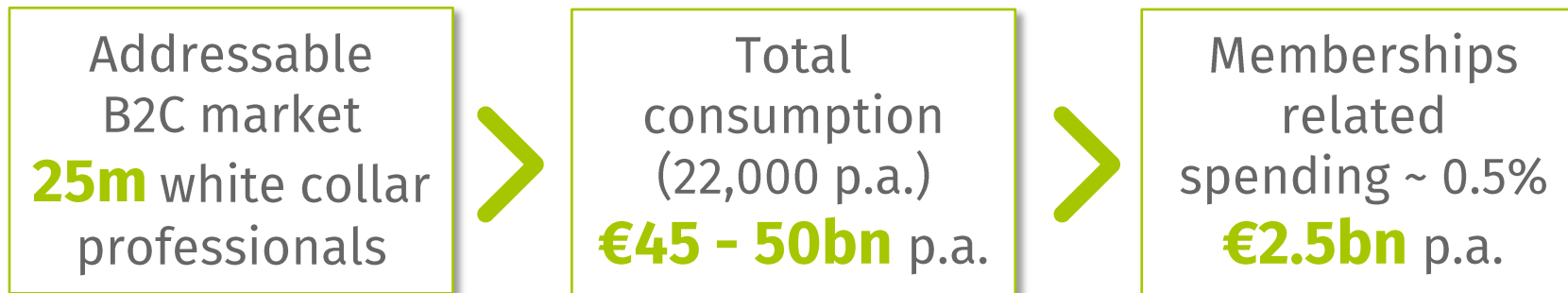
Members & addressable market in million



Addressable B2C market of 2.5bn for paid memberships in D-A-CH



Examples for paid member clubs



	ARPU (p.a.)	Paying members
	~500€	~ 0,3m
	~220€	~ 1,2m
	~65€	~ 15m*
	~60€	~ 19m
	~50€	~ 0,3m

€3bn E-recruiting market still offering enormous growth potential for us



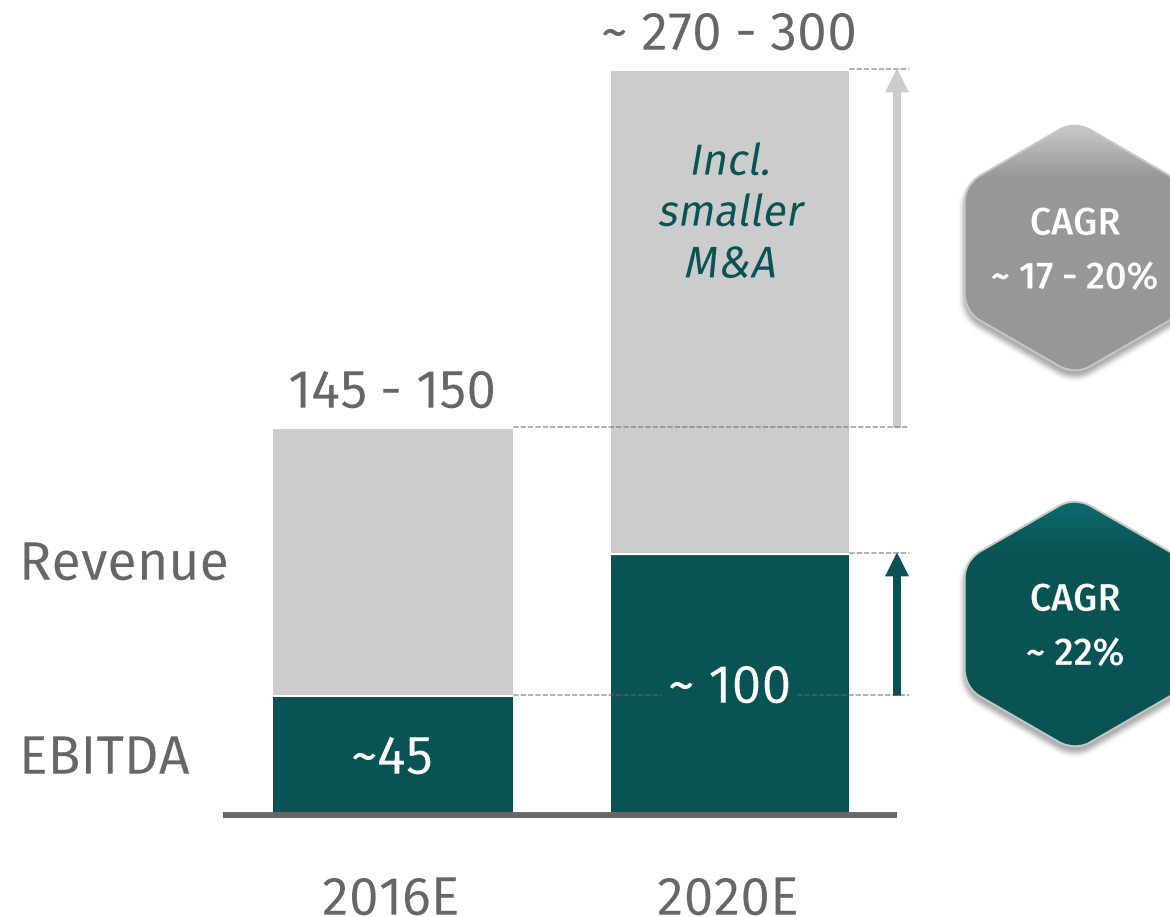
E-Recruiting Value Chain	Addressable market size and growth	Market Drivers	XING Share
Attract	€ 400m	Employer branding	<div style="background-color: #800040; color: white; padding: 10px; text-align: center;"> € ~50m ~ 2% of market </div> <div style="text-align: center; margin-top: 20px;"> <p>Not tapped yet</p> </div>
Source	€ 2,600m	Digitization & active sourcing	
Select	€ < 100m	Digitization & matching	
Hire	€ < 100m	Onboarding	
Retain	€ <100m	Development & benefits	
Manage	€ 300m	Applicant Tracking Systems	

Our key initiatives and goals 2017 – 2020



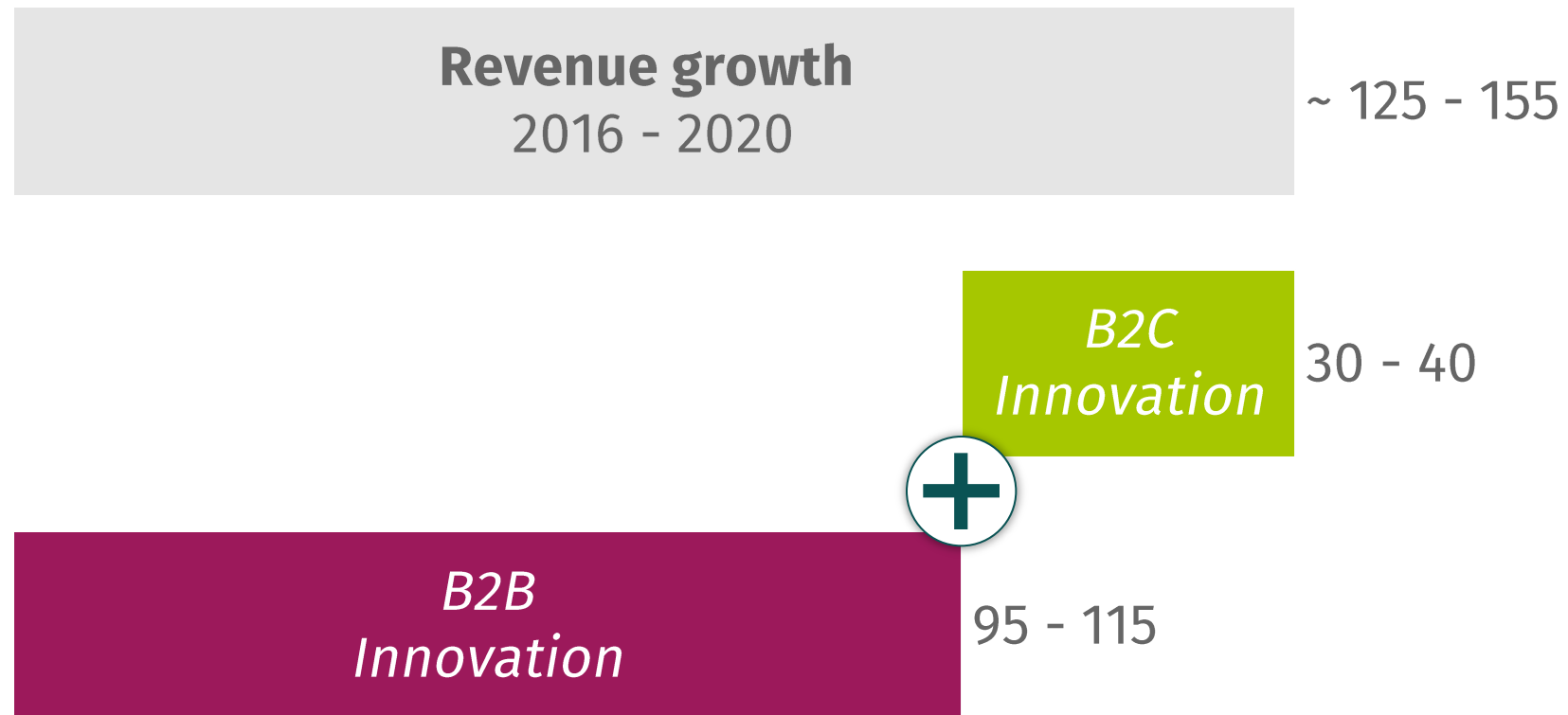
Our target: We want to keep our speed and double our EBITDA until 2020

in Mio. EUR



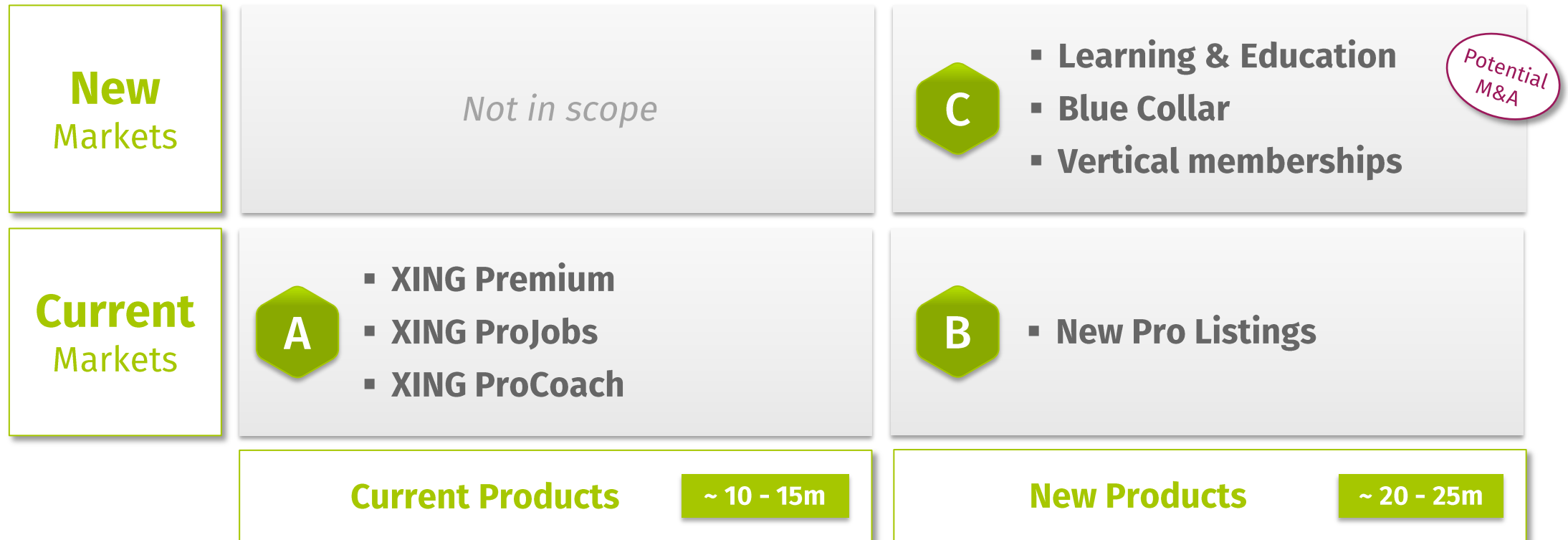
Revenue growth driven by both, B2C and B2B

in Mio. EUR



B2C growing through strong innovation in current and new markets

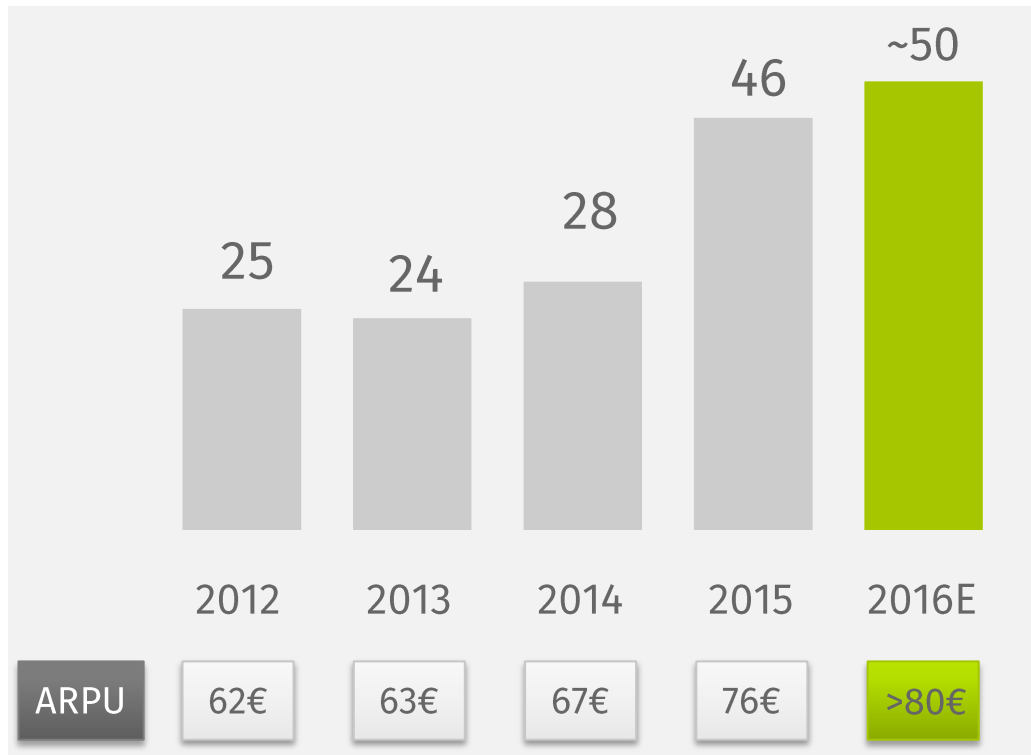
XING 2020: B2C Innovation Areas



Existing paid memberships to remain driver for B2C segment growth



Net payer adds in '000



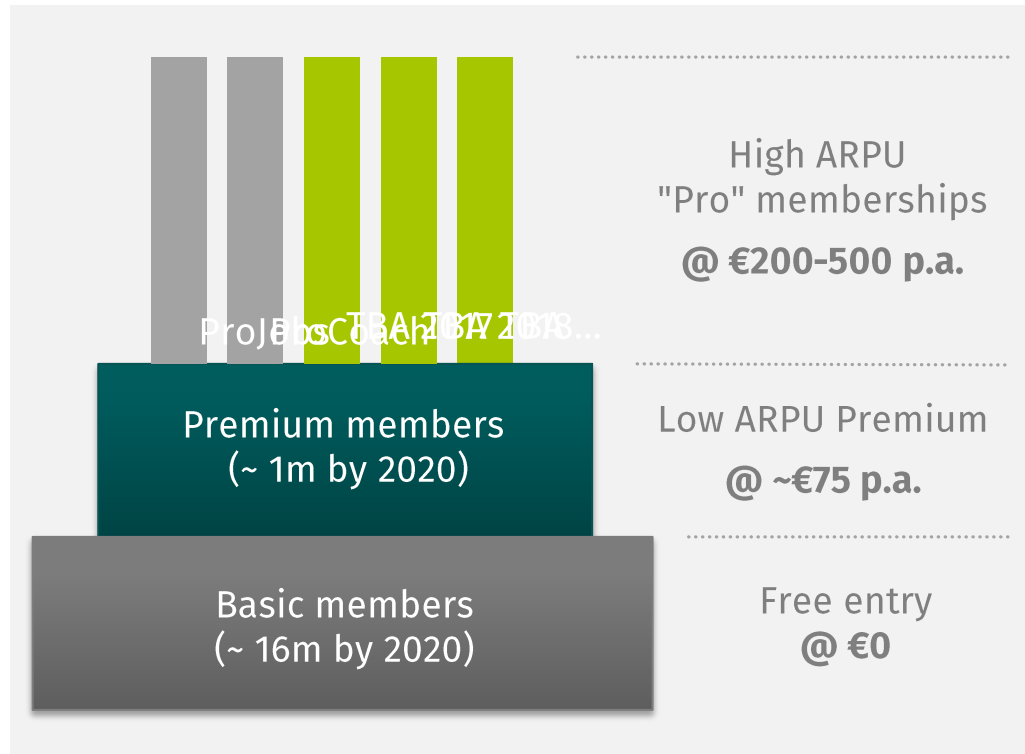
Key innovation drivers 2020

- **Exploitation of installed member base** of > 10m white collar professionals
 - New Premium **features**
 - Upsell from Premium into **ProJobs** and **Pro Coach** memberships
-
- Continuous **ARPU growth**
 - Continuous **subscriber base growth**
 - **€10 - 15m** revenue effect until 2020

XING will launch further high ARPU vertical memberships to drive topline growth



Vertical memberships approach



Key innovation drivers 2020

- Large installed base of members with no targeted offering today
- **Active upselling** on current and growing premium member base
- Launch of further **3 - 5 highly targeted niche offers** to expand "Pro" suite

➤ ARPU increase through strong focus on mid- to high price offers



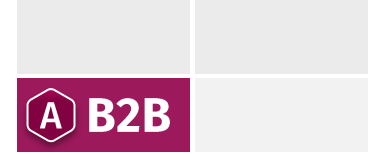
XING will potentially enter new markets

New B2C Markets	Rationale	XING Unfair Advantage
 <p>Learning/ Education</p>	<ul style="list-style-type: none"> • Professional development • Market disruption potential 	<ul style="list-style-type: none"> • Events heritage • Economic graph
 <p>Blue Collar Jobs</p>	<ul style="list-style-type: none"> • New >20m B2C target group • Growing share of wallet 	<ul style="list-style-type: none"> • B2B access • Current assets (Lebenslauf.com, jobbörse.com)
 <p>Vertical networks</p>	<ul style="list-style-type: none"> • High ARPU potential • Internationalization potential 	<ul style="list-style-type: none"> • Network skills • Technology in place already

B2B: Growing through innovation in current markets

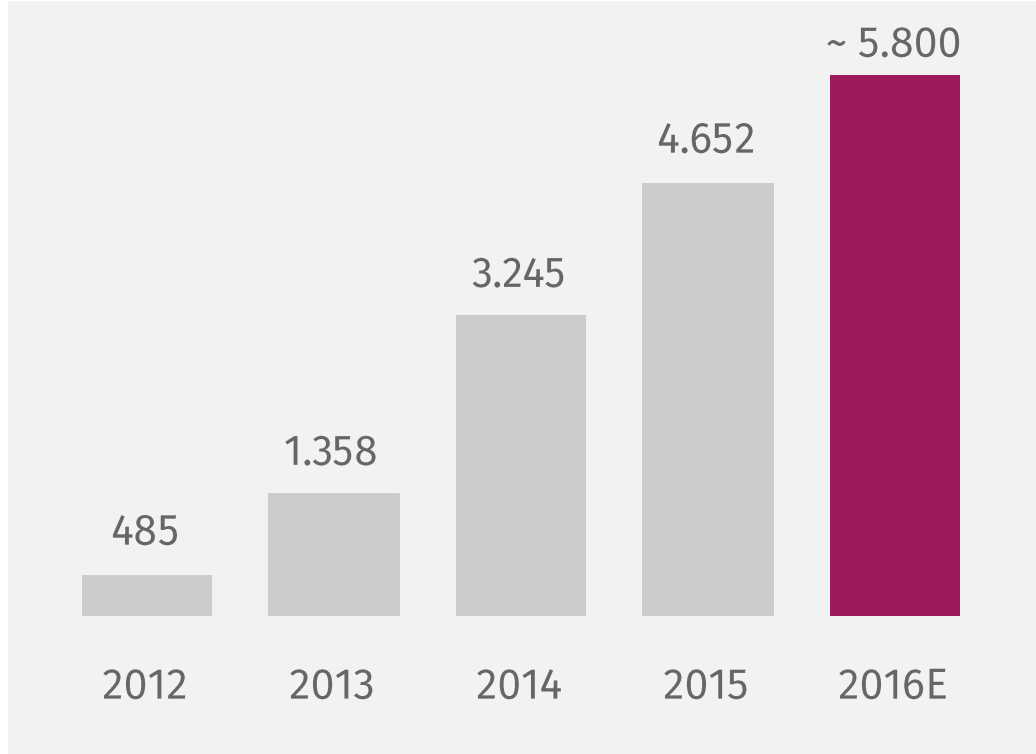
XING 2020: B2B Innovation Areas

<p>New Markets</p>	<p><i>Not in scope</i></p>	<p>C</p> <ul style="list-style-type: none"> ▪ New E-Recruiting solutions ▪ Blue Collar <p>Potential M&A</p>
<p>Current Markets</p>	<p>A</p> <ul style="list-style-type: none"> ▪ Active Sourcing (XTM) ▪ Passive Recruiting (XJM) ▪ Employer Branding (EBP) 	<p>B</p> <ul style="list-style-type: none"> ▪ Referral management (XRM) ▪ Reinvent Advertising & Events business
<p>Current Products +60 - 70m</p>		<p>New Products +35 - 45m</p>



B2B E-Recruiting: Active Sourcing (XTM) & Employer Branding (EBP) driving growth

XTM/EBP Customers



Key innovation drivers 2020

- XING makes market in active sourcing and employer branding
 - Significant room for disruption
 - XING has biggest transparency of white collar labor market
 - XING has largest, most active & self updating talent pool
 - Further pricing upside/pricing power
-  **XING aims to serve > 10,000 corporates with XTM & EBP solutions by 2020**



A B2B	

B2B E-Recruiting: Strong presence among DAX30



Active sourcing creating tangible value:
 Cost per hire down by ~80%
 Time to hire down from 125 to 31 days

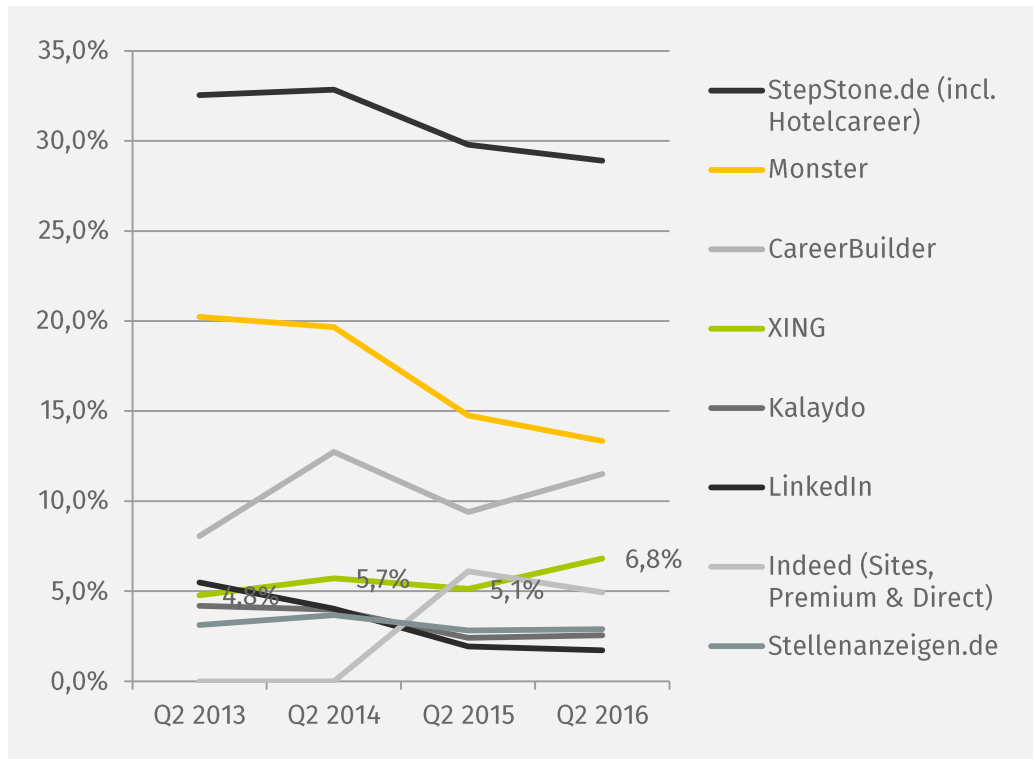
*Significant market potential for XING
 B2B E-Recruiting solutions*



B2B E-Recruiting: Passive Recruiting (XJM)

We will further gain market share

Development of paid job ad market shares



Source: www.anzeigendaten.de

Key innovation drivers 2020

- We know candidates best (member profile/CV information)
 - ~1m white collar jobs (~20x more vs. Stepstone)
 - ~1m employer reviews
 - Power to disrupt current job ad market
 - Change model if needed/necessary
- Build Top 3 Jobs marketplace for candidates**



B2B E-Recruiting: Passive Sourcing (XJM)

New Right to play

	XJM for XING members	XJM for XING customers
Core need	"Finding the needle in the haystack"	"Staffing the position successfully"
vs. pure Job Boards	<p>All jobs @ XING! not only those ones companies paid for</p>	<p>More candidates @ XING! Reaching also snoozers & sleepers</p>
vs. pure Job Crawlers	<p>Most relevant jobs (incl. reviews) for me @ XING! Better recos through profile matching; transparency through kununu reviews</p>	<p>Better candidates @ XING! and direct access through XING network</p>





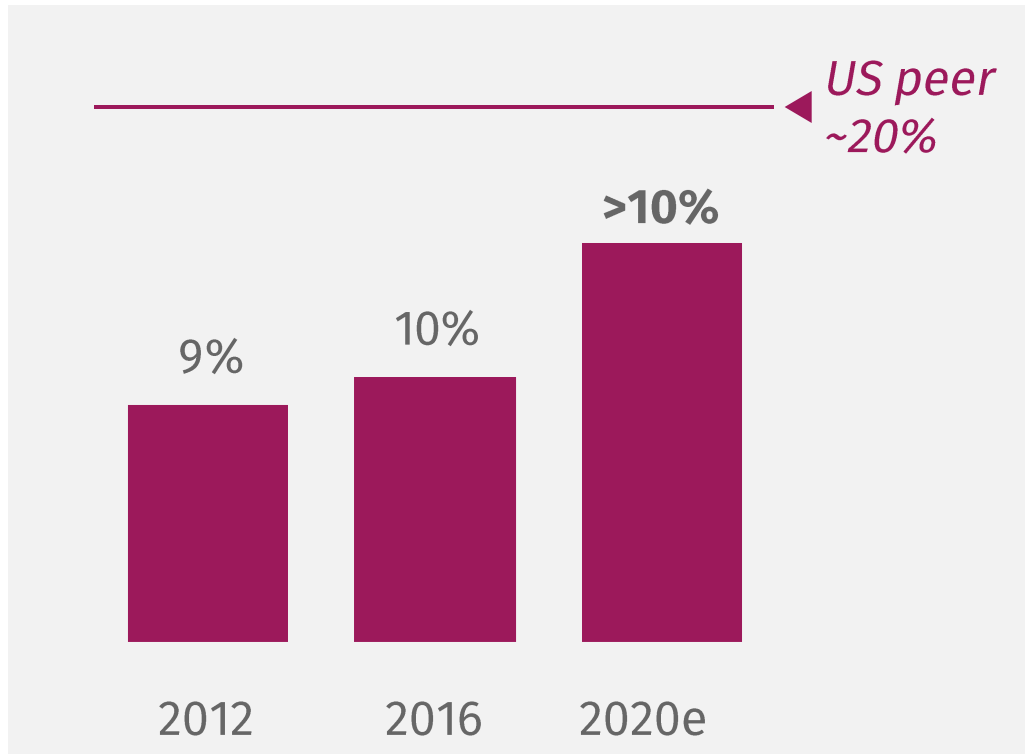
B2B E-Recruiting: Improving existing, launch new products and expand the value chain

E-Recruiting Value Chain	XING Products Today	Tomorrow
Attract	Employer Branding Profile (kununu EBP)	<ul style="list-style-type: none"> Strengthen market position in EBP (improving product, sales & marketing)
Source	XING Talentmanager (XTM), XING Jobs Marketplace (XJM)	<ul style="list-style-type: none"> XTM, XJM (improving product, sales & marketing) New XING Referral Manager (XRM)
Select	Not tapped yet	<ul style="list-style-type: none"> Attractive target E-Recruiting sub-segment Need for digitization XING to launch additional products for SME's
Hire		
Retain		
Manage		



B2B Advertising & Events: Restart business with push towards native advertising

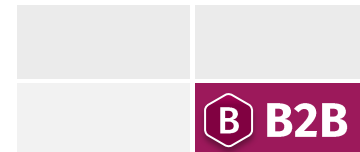
Advertising & Events revenue share



Key innovation drivers 2020

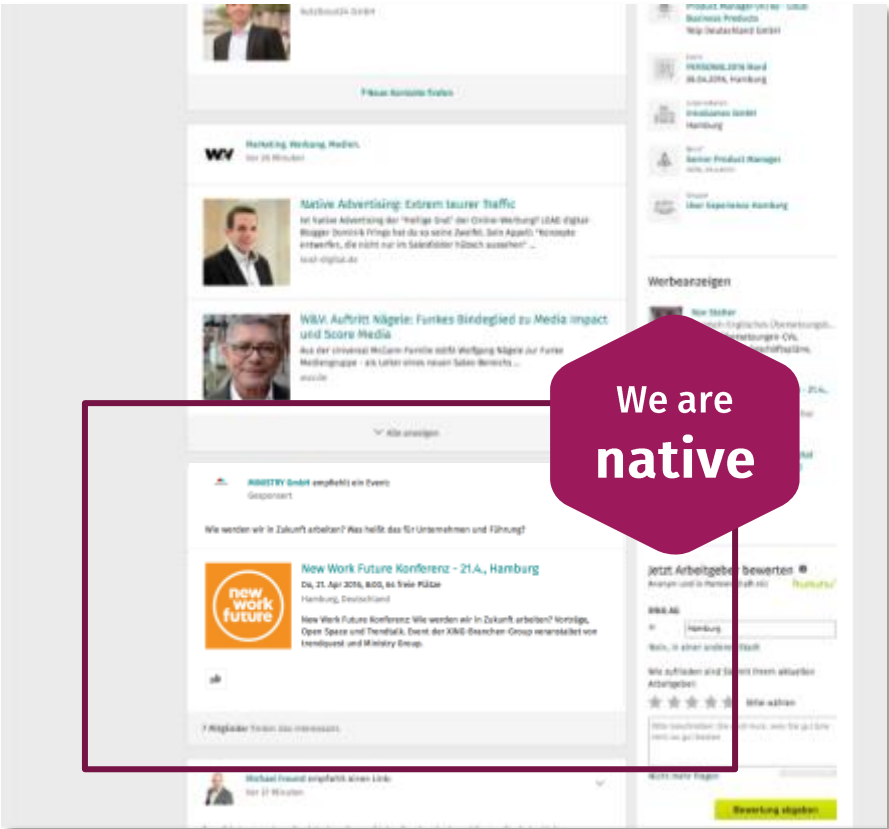
- Advertising & Events joining forces
- Pivoting advertising from display into native (sponsored articles, business pages)
- Steady increase in ad inventory through focus on daily/mobile use cases

Growth potential ahead

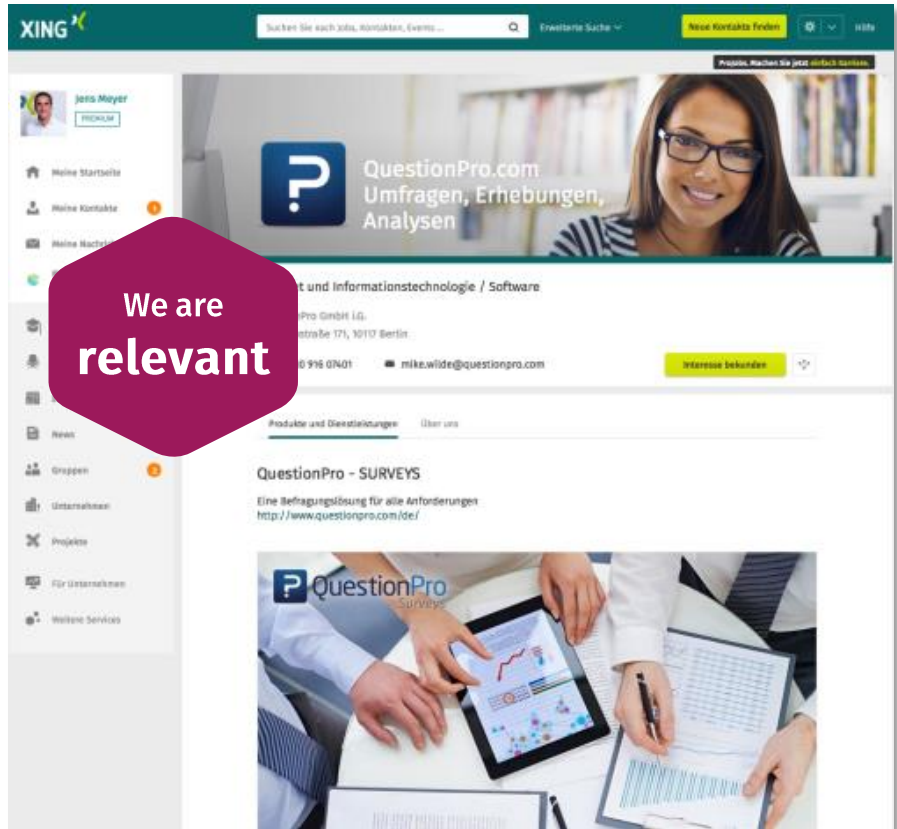


B2B: Advertising & Events: Strong pivot to native and more relevant advertising

Native advertising



Business pages

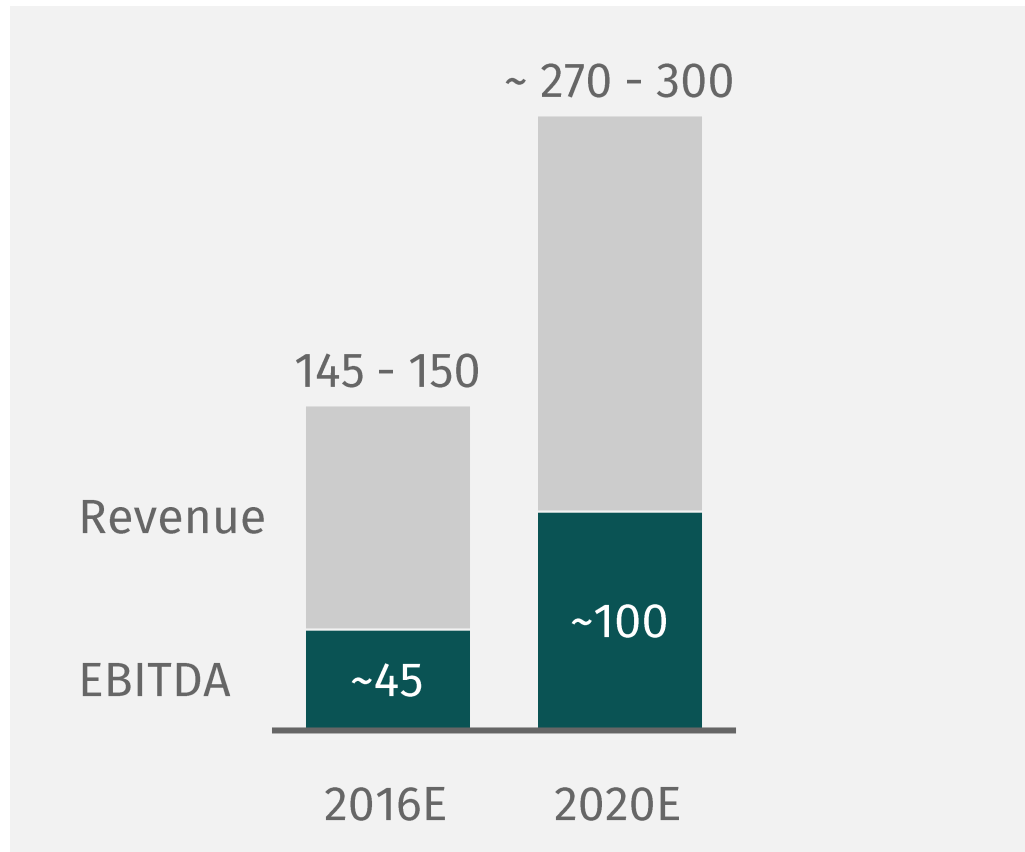


Financial outlook XING 2020

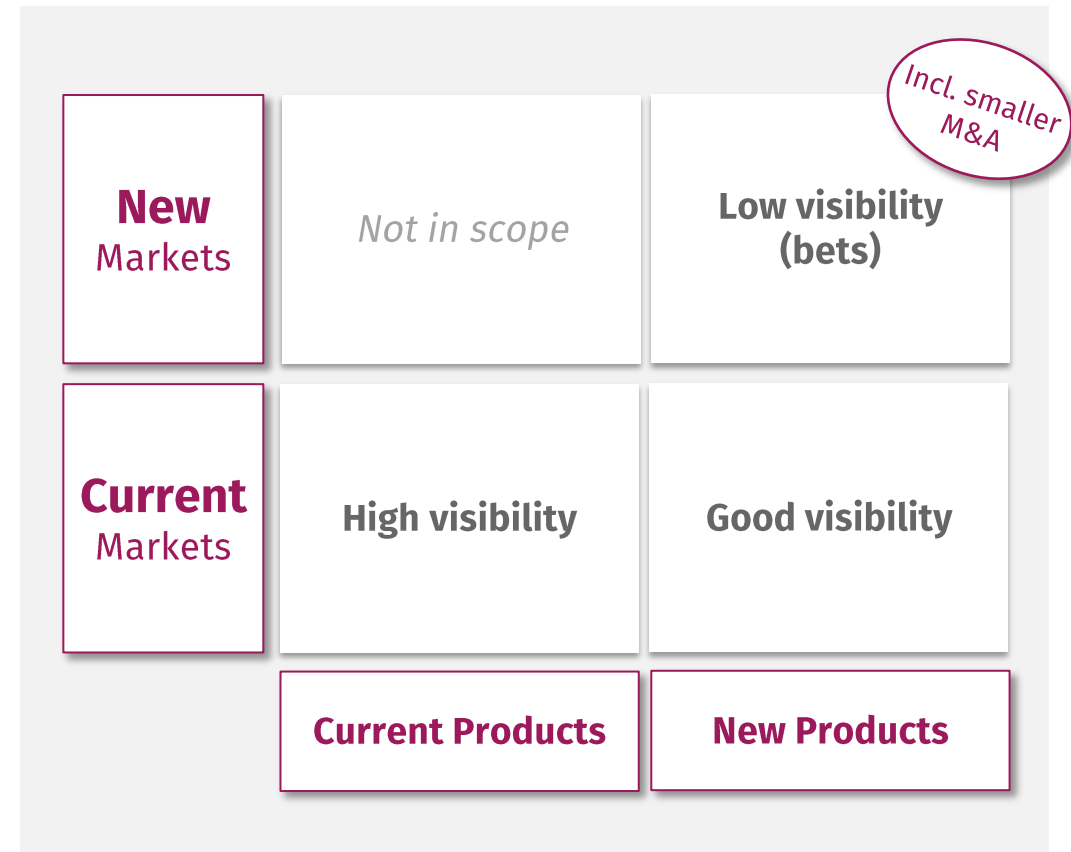


Our target: Keep strong growth, slightly increase margins, ~100m EBITDA in 2020

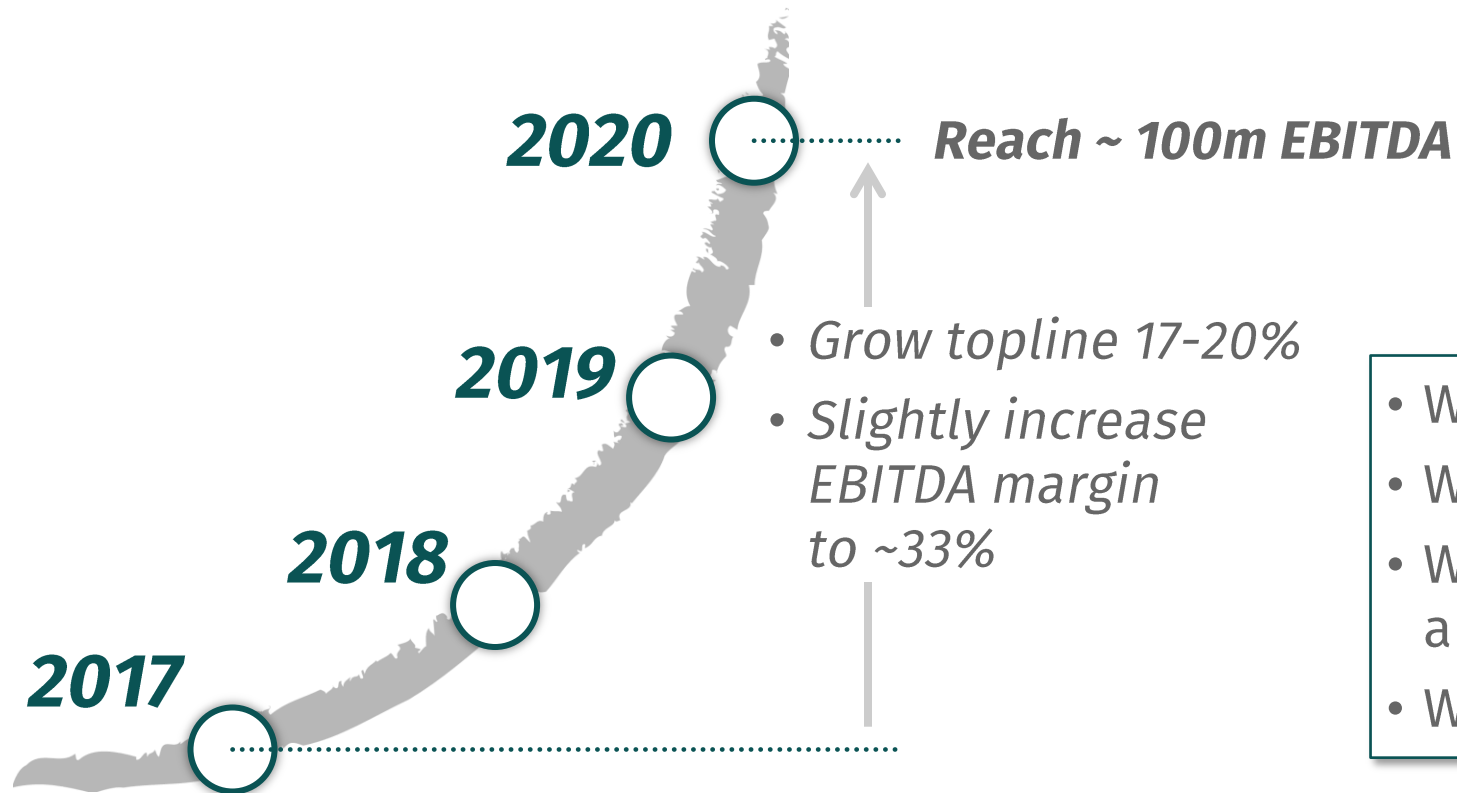
Key Financials 2016-2020



Top line growth 2016-2020



Summary



- We held our promises
- We have more room to grow
- We will grow current business and invest in new business
- We will continue to grow 17-20%



**Thank you for
your attention**



Backup

US joint venture between Monster & kununu proving further upside to current D-A-CH equity story

See your worklife
before you live it.

Review a company. Improve a job search.

Search company

SPEAK YOUR MIND

Take the mystery out of the workplace.

All industries



Enter location

OR DIRECTLY SEARCH

Search company



GET INSIDE INFORMATION

Consensus, investor information & contact details



XING AG IR stats

Market cap: ~€1bn / >€ 75m cash / no debt

Consensus from 12 brokers collected by XING IR

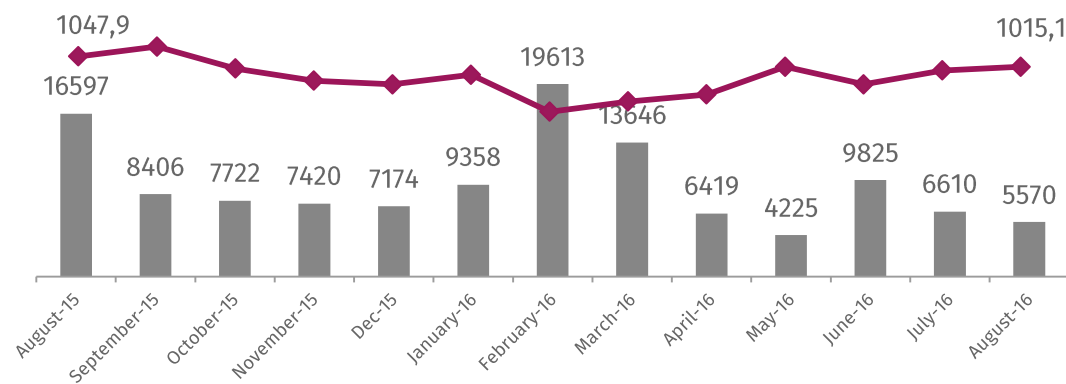
	2016e	2017e	2018e
Total revenues	146	172	196
EBITDA	46	57	68
Margin	32%	33%	35%
Depreciation	(11)	(12)	(13)
EBIT	35	45	55
Margin	24%	26%	28%
Net income	23	30	37
EPS in €	4.23	5.45	6.74
DPS in €	1.70	2.70	3.45

Analyst coverage	Bankhaus Metzler, Berenberg Bank, Commerzbank, Deutsche Bank, Goldman Sachs, Hauck & Aufhäuser, Jefferies, MM Warburg, Montega, Oddo Seydler
-------------------------	--

Shares	5,620,435
---------------	------------------

Numbers based on last filing – actual shareholdings can differ

Average trading volume per day (XETRA) & Market Cap (in € m)



Burda Digital GmbH (DE)	50.26%
Deutsche Asset & Wealth Mngt. (DE)	4.95%
Oppenheimer (US)	5.04%
Union Investment (DE)	4.98%
Wasatch Advisors (US)	3.02%
Rest	31.75%

Investor Relations contact details & social media channels



PATRICK MOELLER

Director Investor Relations

XING AG
Dammtorstrasse 30
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

XING profile: https://www.xing.com/profile/Patrick_Moeller2

http://twitter.com/XING_ir



<http://www.slideshare.net/patmoeller>



<http://www.youtube.com/XINGcom>



<http://blog.XING.com>



<skype:patrickmoeller?add>





XING 

FOR A BETTER WORKING LIFE