

NEW WORK SE

Capital markets update

Hamburg, Jan 2024



Agenda

01 Strategy

02 Reorganization

03 Financials

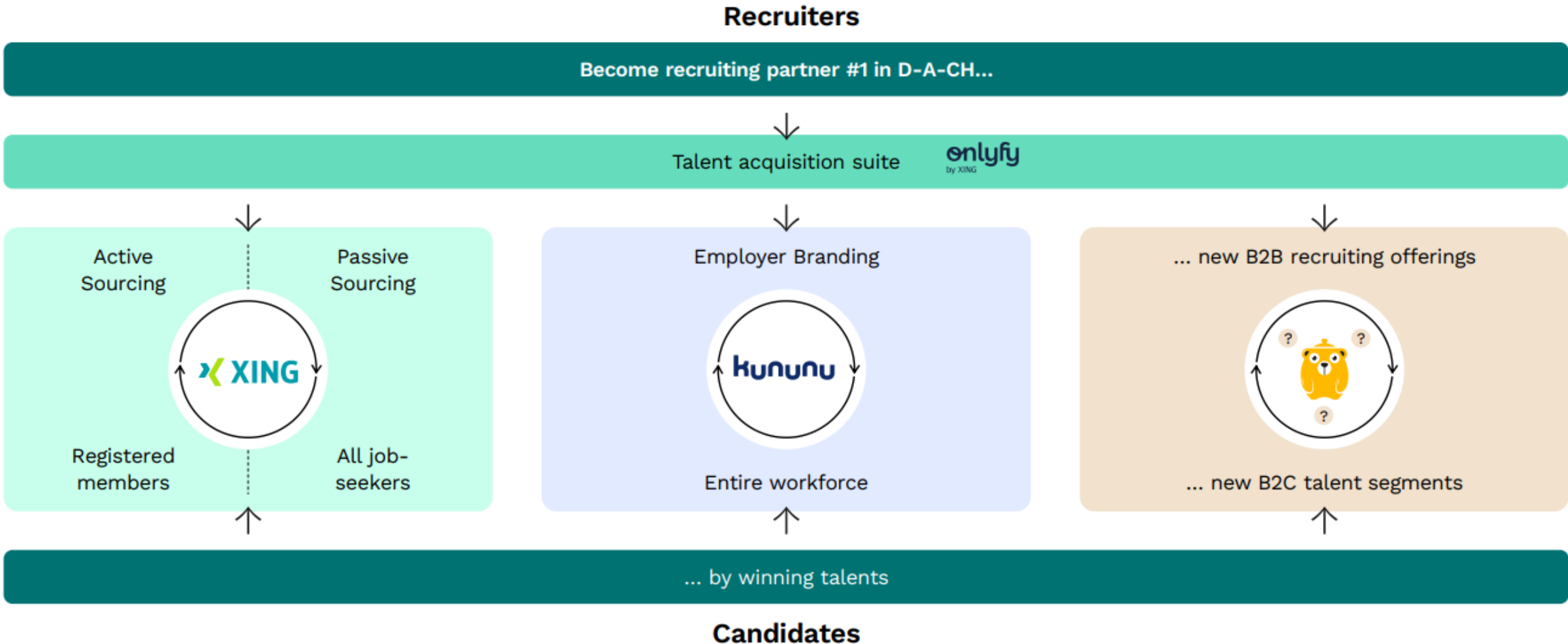


01

Strategy

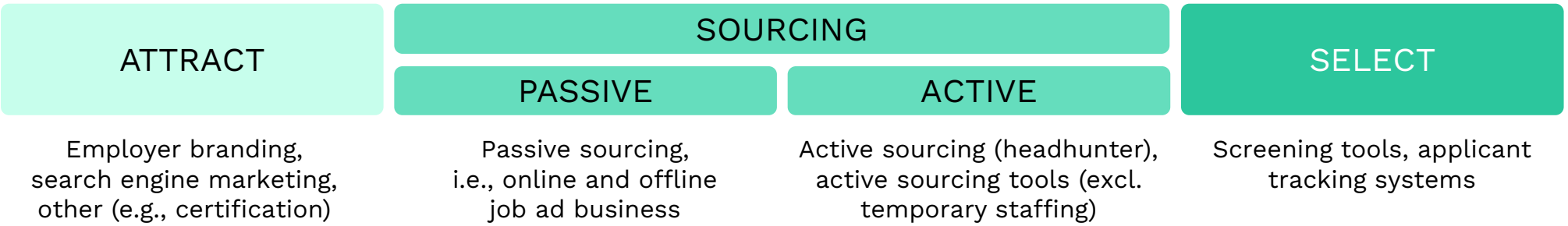


Recap | New Work SE strategic winning aspiration: become recruiting partner #1 in D-A-CH by winning talents



Recap | New Work SE addressable market: with >5bn€ in est. size, the recruiting market in D-A-CH is huge

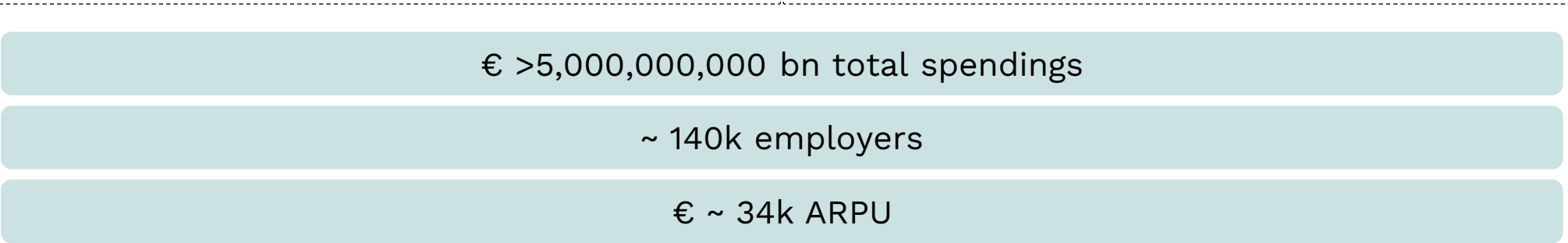
Segments
across recruiting
value chain



Total spend
(DE)*



TAM (DE)*



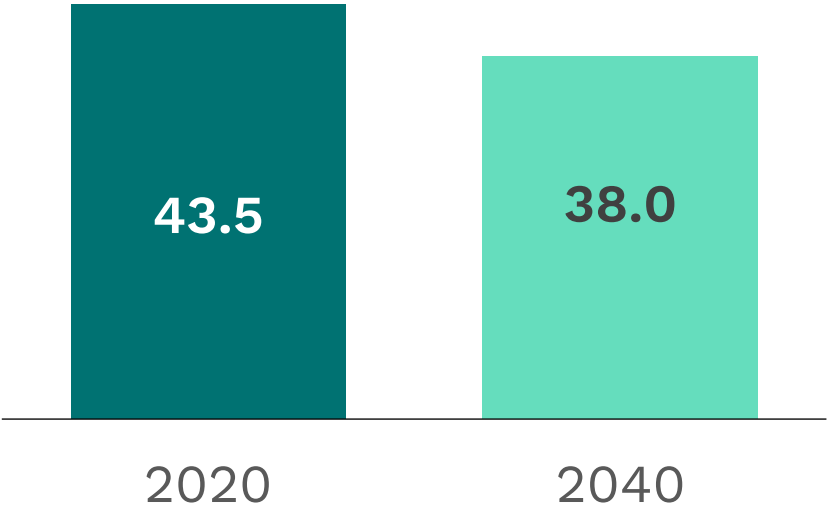
*Figures relate to DE 2021, only – AT/ CH each provide +10% to +15% potential; arrows indicate expected future growth trend;
SOURCE: Market model (German Federal Statistical Office, German Federal Labor Agency, Institute of Economics, other studies & reports)



Recap | Strong structural market tailwind: recruiting demand is driven by a stable and growing talent shortage

Shrinking Workforce

in Germany (in m)¹

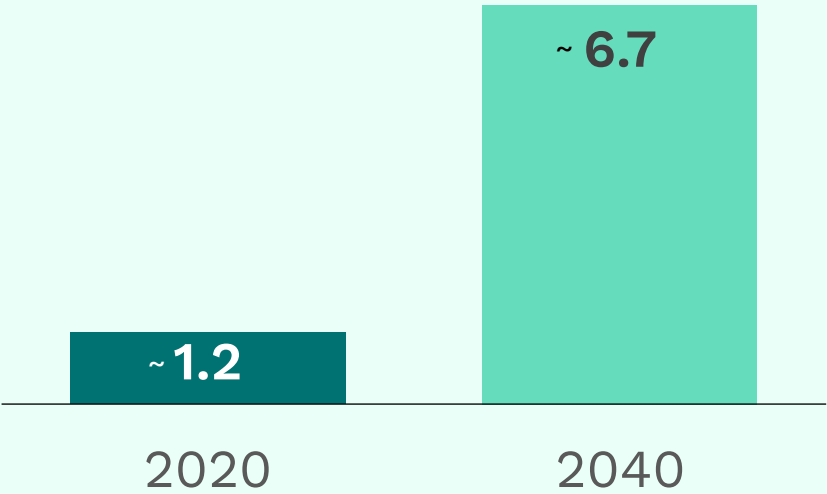


Source 1: IW "Mögliche Entwicklungen des Fachkräftemangels bis zum Jahr 2040", 04/21



Structural Talent Shortage

unfilled vacancies in Germany (in m)²

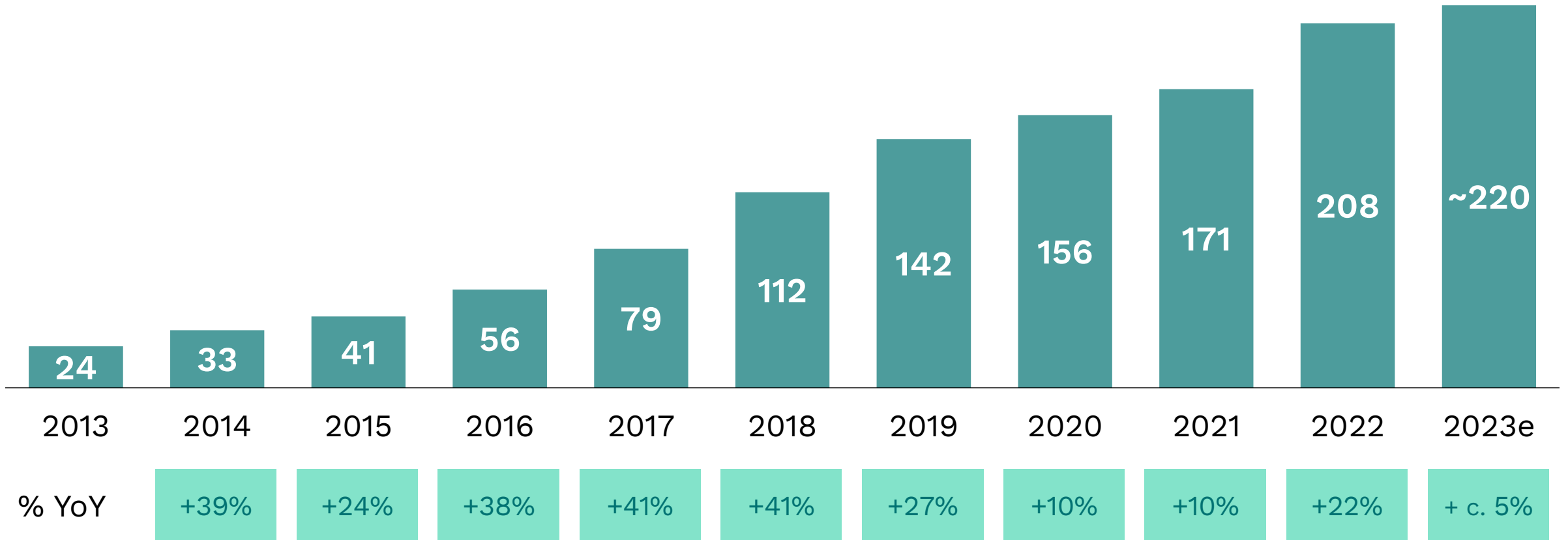


Source 2: IAB Q4 2020 & New Work SE estimation based on IW study

Recap | Our strategy follows historic success: B2B HR solutions revenues as primary growth driver on group-level

Strong Growth in HR Solutions Revenues

(in € Mio.)



Segment revenues prior to 2018 might deviate with historically reported figures on back of changes in IFRS or restructurings



Already today, we have a strong right to play – and we're extending our competitive position with focused strategic measures

Focus segments

Brands & competitive strength in 2023

Strategic measures for 2024



SOURCE 1: Representative poll among >600 HR professionals, DE
SOURCE 2: SimilarWeb (Nov 2022 – Oct 2023, DE)



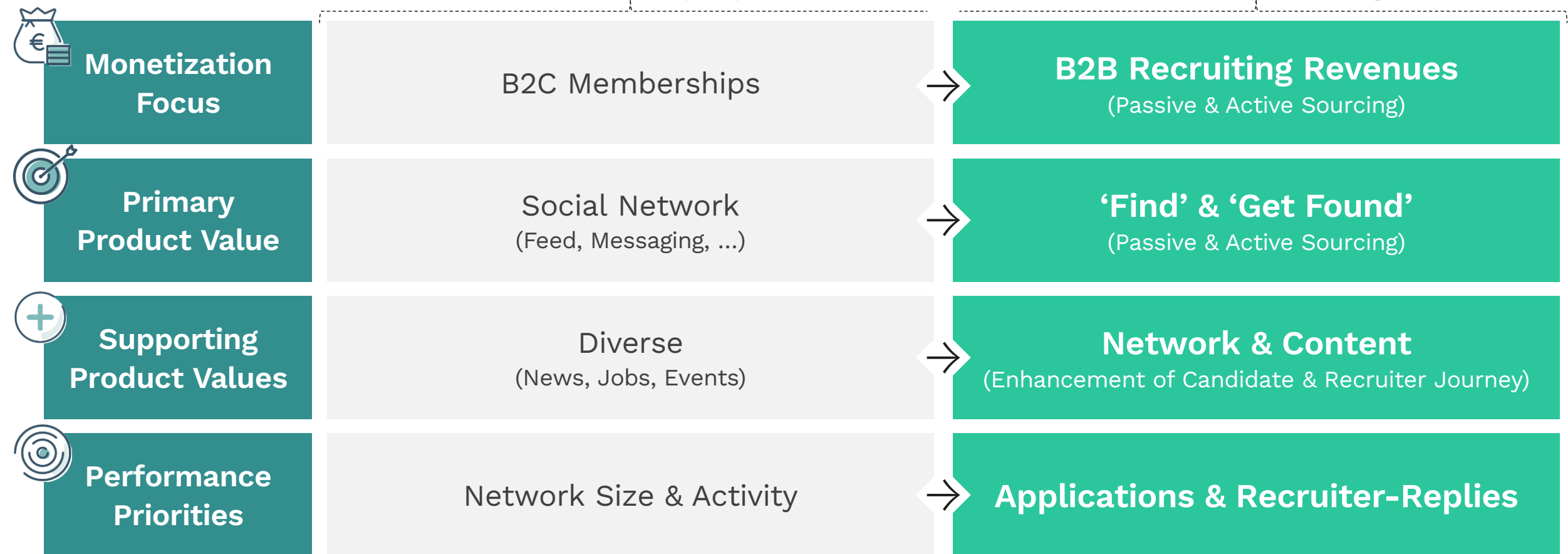
A XING | We are repositioning XING, building on our historic strength, towards a jobs network to drive NWSE strategy execution

From 'Professional Social Network' to 'Jobs Network'

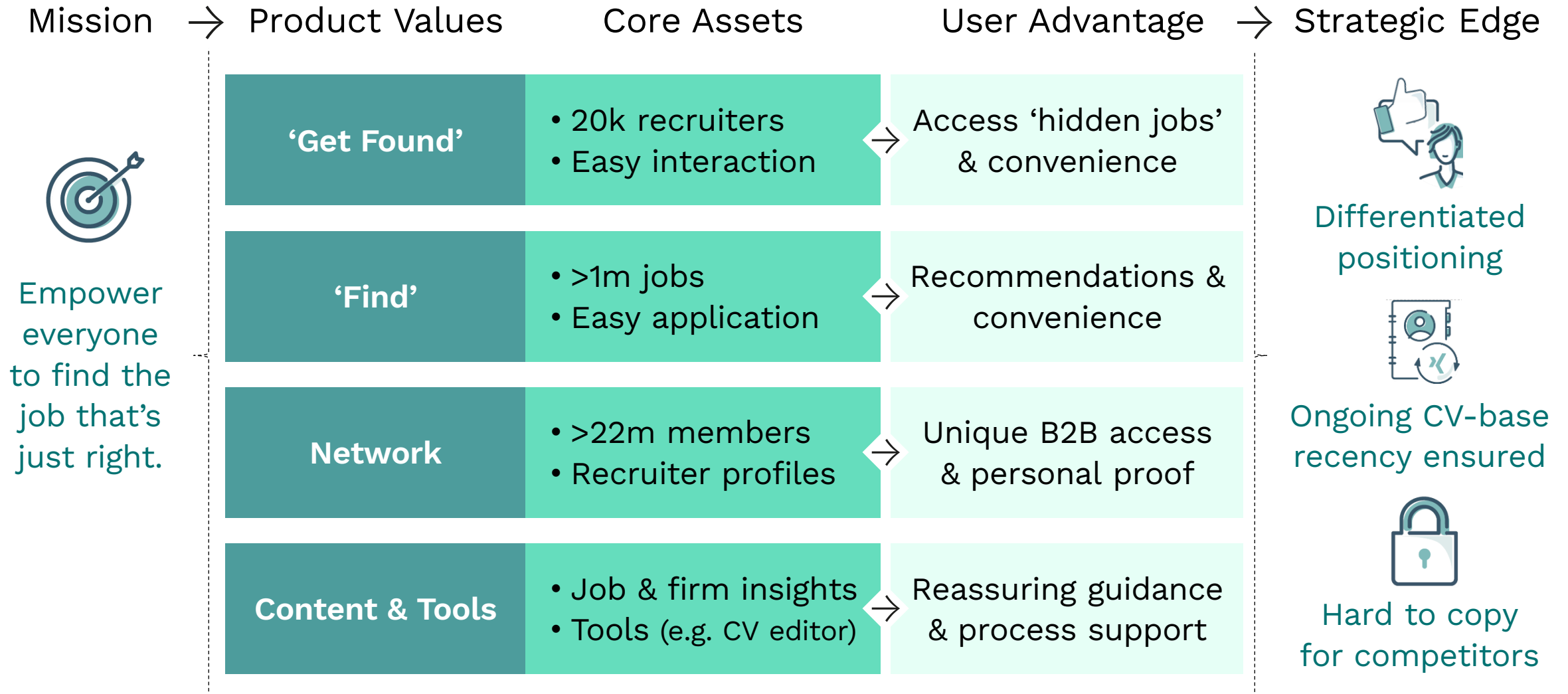
network as main purpose



network as empowering factor



A XING | New XING 'jobs network' will provide a better job seeker experience, empowering everyone to choose the job that's just right



A **XING** | Ongoing progress across strategic KPIs are demonstrating that XING is successfully executing repositioning strategy



Traffic

+135%

'jobs' visits at stable total traffic (~ -1%)

Q4 2023 vs. Q4 22



'Find'

+179%

applications on top paid postings

Q4 2023 vs. Q4 2022



'Get Found'

+51%

candidate reply rate to recruiters

Dec 2023 vs. Dec 2022



Satisfaction

+NPS

1st increase since three years

2023 vs. 2022

XING's repositioning towards 'jobs network' running successfully!



B kununu | We operate the leading platform for workplace insights – thereby catering to a fundamental need of our B2C target group

Fundamental B2C Need



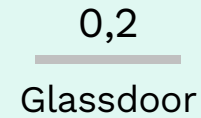
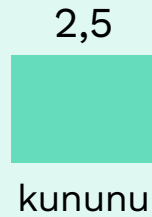
>70%

of jobseekers inform themselves about employers on review platforms¹

SOURCE 1: University Innsbruck, WU Wien, IFC FH Krems & Trendence, 2022

+

Undisputed Leadership



>10x

in average monthly unique visitors of kununu vs. second biggest competitor²

SOURCE 2: SimilarWeb (Nov 2022 – Oct 2023, DE)

+

Spill-over on B2B Needs



>50%

of jobseekers do not apply if employer-reviews deviate from employers' own statements¹

SOURCE 1: University Innsbruck, WU Wien, IFC FH Krems & Trendence, 2022



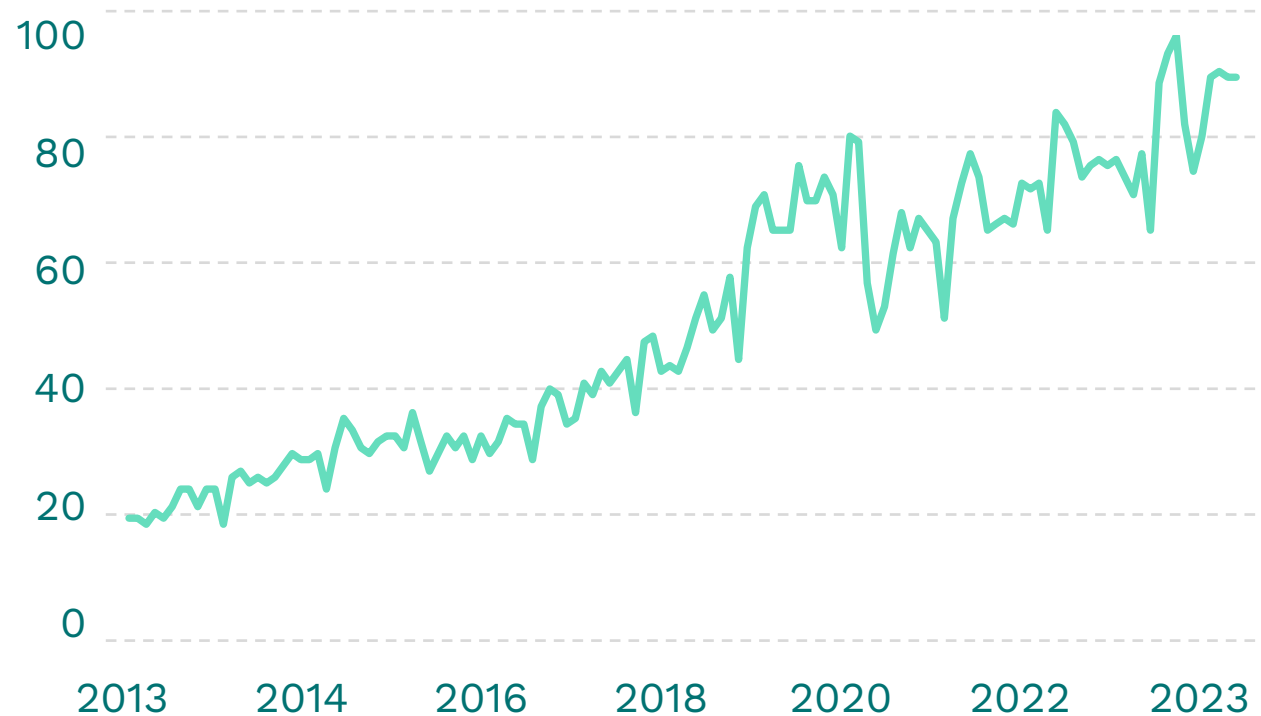
kununu accounts for ~1/3 of HR solutions business, with above average margin and growth



B kununu | Strong historic trajectory was continued and exceeded in 2023 – indicating further growth potential going forward

Strong Historic Trajectory since Acquisition...

google trend as brand success-indicator¹



¹SOURCE: google trends, DE



... Continued in 2023

unparalleled growth on large base

>92m²
Platform sessions
+16% YoY



>350k
Employer profiles
+14% YoY



>10m
Workplace insights
+27% YoY



²SOURCE: google analytics



02

Reorganization



In 2024, we will double down on strategy execution by restructuring and transforming the organization while improving cost structure

Core Strategic Measures in 2024

NWSE Winning Aspiration



Full focus on proven core brands XING & kununu

transition from ‚B2C only‘ to fully-fledged marketplaces, including decisive marketing-investments to further strengthen positionings



Wind-down of other activities & investments

discontinuation of new investments into onlyfy brand development and Honeypot standalone brand



Reorganization of org structure from top to bottom

re-org and reduction of exec board & workforce by ~400 FTEs to eliminate redundancies and increase efficacy



Streamlining towards operational efficiency

improved strategic and operative steering & processes, new setup for product & tech, increased focus on eCommerce



**Become
recruiting partner #1
by winning talents**

03

Financials



Recap |

We confirm our pro-forma EBITDA guidance 2023 of € 92-100m

Guidance May 2023

Update 2023FY

UPDATED OUTLOOK 2023 

FOR 2023, WE NOW EXPECT A REVENUE ON PREVIOUS YEAR'S LEVEL (PREVIOUSLY: "SINGLE DIGIT PERCENTAGE GROWTH") AND A PRO-FORMA EBITDA OF € 92-100M (PREVIOUSLY: € 108-111M) AS WE WILL CONTINUE TO INVEST IN TALENT ACCESS (KUNUNU & XING) AND ONLYFY THROUGHOUT 2023 DESPITE SHORT-TERM MARKET HEADWINDS

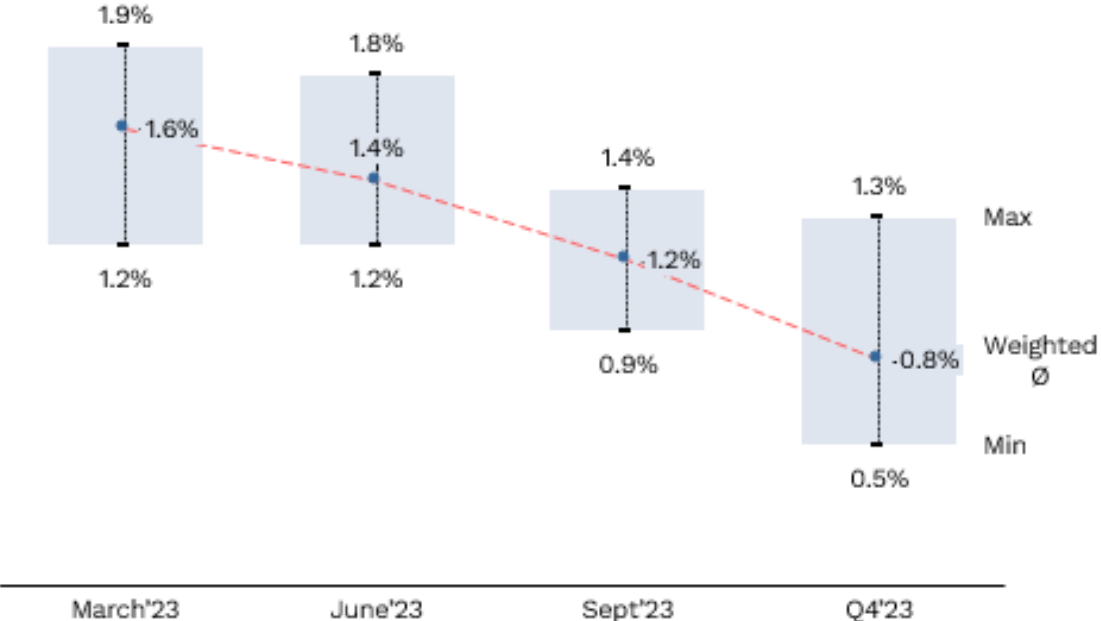


**pro-forma EBITDA
guidance for 2023 of
€ 92-100m confirmed**

Looking into 2024, the short-term outlook into macro environment poses a rather difficult structural headwind

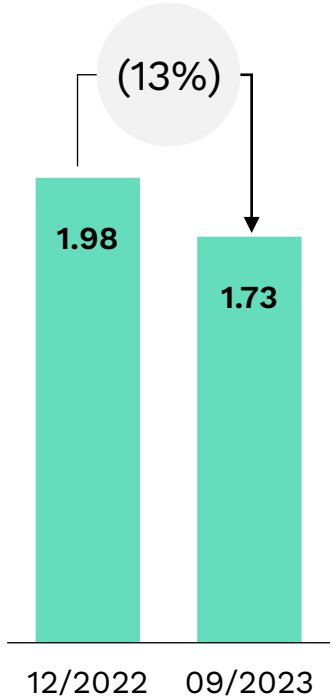
Expected GDP Growth Outlook 2024 (in %)¹ + Employment Market Development²

Outlook lowered with each prognosis by all institutes

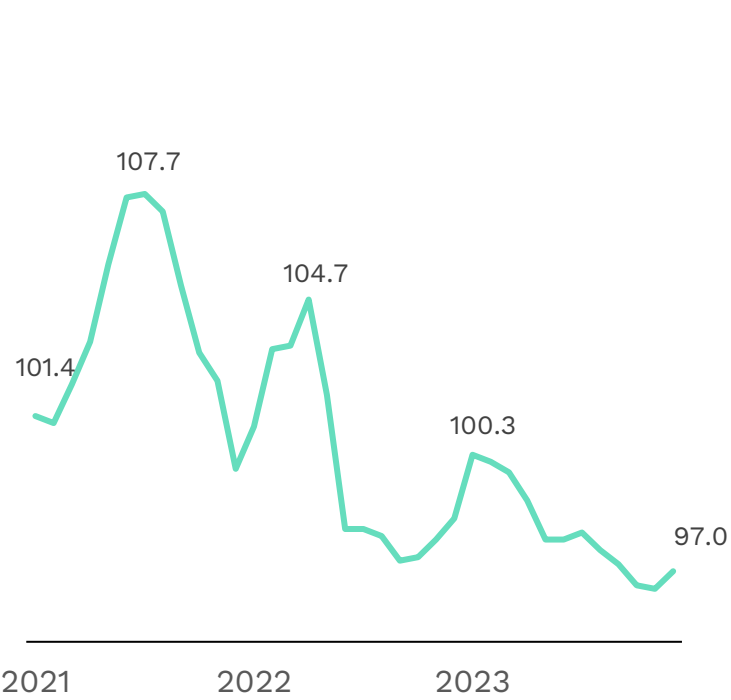


SOURCES 1: Included institutes: ifo, EU, HWWI, OECD, IfW, RWI, IWH, OECD, Gem.-Diagnose, Bundesregierung, IAB

Unfilled positions (DE)



IAB barometer (DE, Index: 90 = very bad, 110: very good)



SOURCES 2: BA, IAB, KfW



Guidance 2024 | Pro-forma EBITDA of € 55-65m driven by revenues, accelerated investments & cost savings from restructuring

Core P&L drivers in 2024

Guidance 2024



Revenues declining

macro situation & ongoing transformation from B2C to B2B monetization



Accelerated investments

doubling down on strategy execution in light of strong 2023 achievements



Reorganization

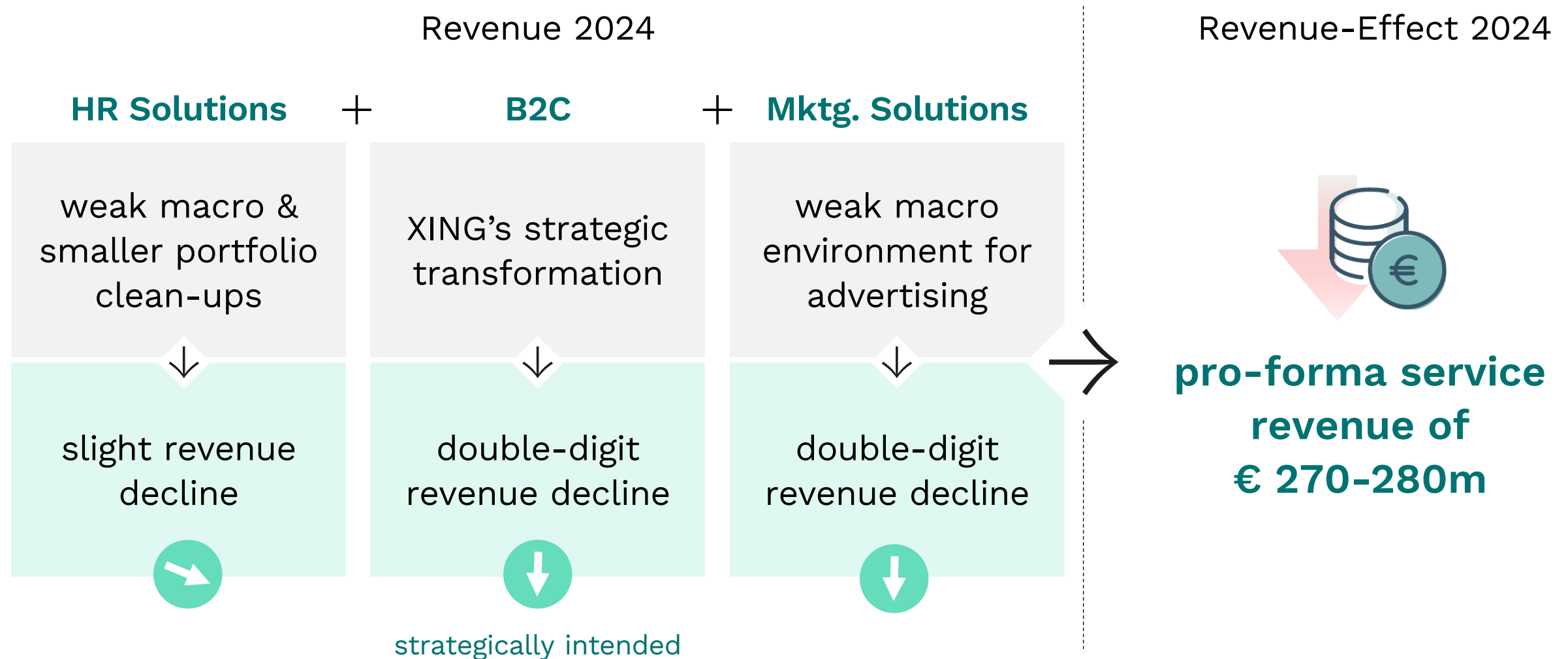
organizational transformation from top to bottom to improve strategic efficacy & cost base



**pro-forma
EBITDA guidance
of € 55-65m**

aiming to return to margins of >30% & topline growth by doubling down on strategy in 2026

Revenues 2024 impacted by macro, portfolio cleanups and ongoing transformation of monetization



Cost development (I): driven by accelerated investments in XING and kununu...

Doubling down on proven core brands' strategies

Cost-Effects 2024 ff.

XING

A
continuing XING's
successful repositioning
towards 'jobs network'



increased marketing invest
to support brand awareness,
consideration & preference



kununu

B
further strengthening &
expanding kununu's leading
#1 market position



increased invest to further
grow 2nd most important
recruiting marketplace



**NWSE cost structure
will become more
marketing-oriented**



Cost development (II): ... improving cost structure by reorganization

Strategic Reorganization & Transformation

Financial Impact

Rationale & Objectives



double down on strategy execution towards reaching winning aspiration while sustainably improving cost structure

Measures

- Full focus on core brands
- Wind-down other invests
- Streamlining operations
- Exhaustive re-org (~400 FTE)



Restructuring costs in 2024



Partial personnel savings in 2024



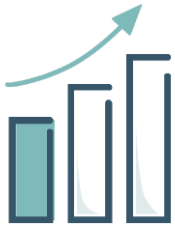
Full personnel savings in 2025ff.

Personnel cost quota to decline



We aim to continue paying out dividends, but need to reduce them to a minimum level during transition due to local GAAP bottleneck

History of strong dividend distribution



- **NWSE policy of continuous and sustainable dividend payment**

- Since 2011 ~ € 250m in dividends paid or >40€ per share
- No decrease in regular dividend until today

Dividend-bottleneck by local GAAP



- **Restructuring costs reduce local GAAP earnings (HGB) during strategic transition**

- Local GAAP retained earnings determine dividend capacity – not IFRS retained earnings
- Local GAAP retained earnings structurally lower than IFRS

Implications on dividends during strategic transition



We aim to continue dividend payouts during transition at minimum level of €1 per share





Thank you for your attention.

HARBOUR FOR:



Backup

Q3 results 2023



Q3 23: Revenues of € 75.7; Pro-forma EBITDA of € 28.1m

	Q3 2023		Q3 2022		Q3 23 vs. Q3 22		Q2 2023		Q3 23 vs.Q2 23	
	Abs.		Abs.		Rel.		Abs.		Rel.	
Service revenues	75.7		78.7		(4%)		75.8		0%	
Other operating income	0.7		1.0		(24%)		1.4		(47%)	
Capitalized own work	5.8		5.5		7%		6.2		(7%)	
Costs before capitalization	(55.5)	(54.1)	(58.1)		4%		(60.3)	(60.5)	8%	
EBITDA	26.7	28.1	27.0		(1%)		23.1	22.9	15%	
Margin	35%	37%	34%		1%pt		31%	30%	5%pt	
D&A	(8.1)		(7.1)		(14%)		(9.2)		11%	
Financial result	0.4	0.2	(1.1)	(0.2)	134%		0.5	0.2	(29%)	
Taxes	(5.4)	(5.8)	(4.5)	(4.8)	(22%)		(4.5)	(4.3)	(21%)	
Net income	13.5	14.3	14.3	15.0	(6%)		10.0	9.7	34%	
EPS	2.40	2.54	2.55	2.66	(6%)		1.78	1.72	34%	

■ Pro-forma

Rounding differences possible



Q3 23: Segment EBITDA (reported)

	Segment EBITDA Q3 23	Q3 23 Margin	Segment EBITDA Q3 22	Q3 22 Margin	Delta Comment
HR Solutions & Talent Access	17.5	32%	16.3	31%	Continued investments in talent access and repositioning of XING
B2C	10.0	55%	12.6	57%	Expected decline given focus on B2B monetization and talent access
B2B Marketing Solutions	0.7	24%	1.1	28%	Slowdown on back of general ad-market weakness and fewer ad impressions
Central & Other	(1.6)		(3.0)		
Total EBITDA	26.7	35%	27.0	34%	

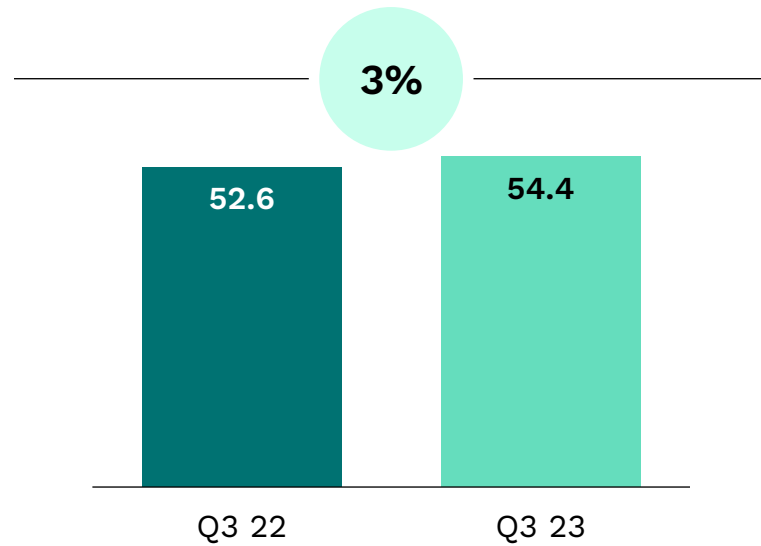
■ Pro-forma

Rounding differences possible

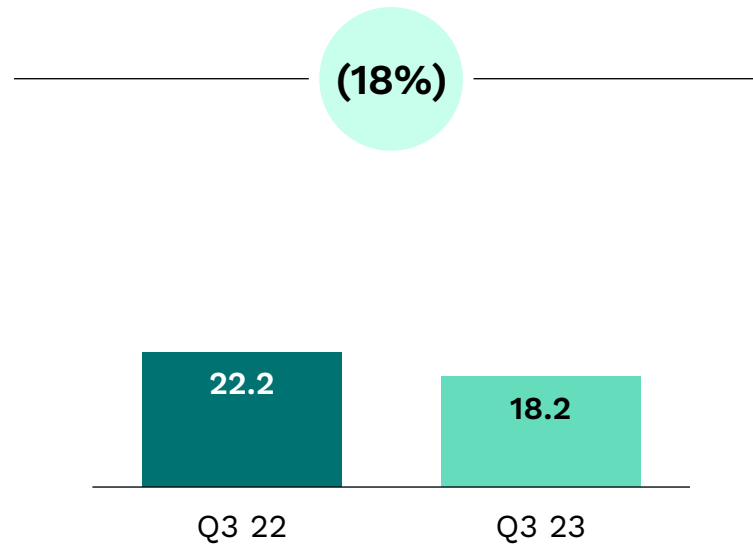


Q3 23 service revenues: HR Solutions & talent Access segment growing 3% – accounting for 72 % of total group sales

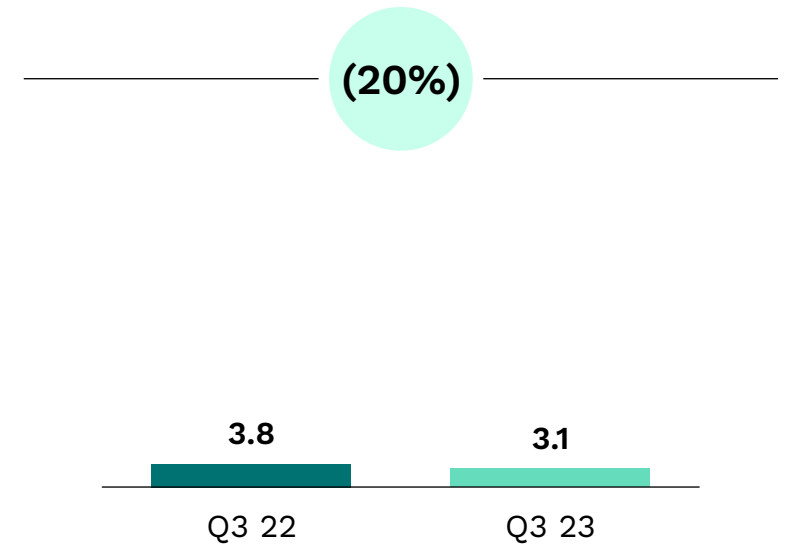
HR Solutions & Talent Access



B2C



B2B Marketing Solutions



Rounding differences possible

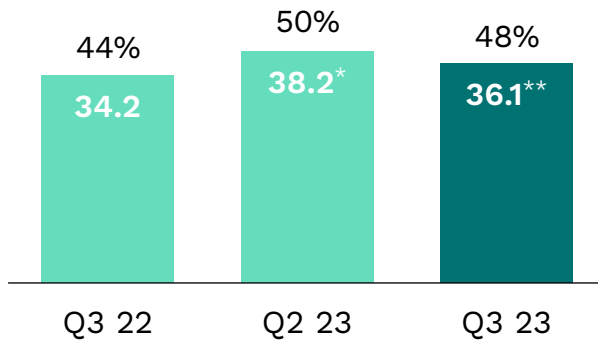


Q3 23: Cost development

Personnel

in € m and in % of service revenues

5%



- Investments especially in go-to-market (sales); hiring-freeze given weak market conditions

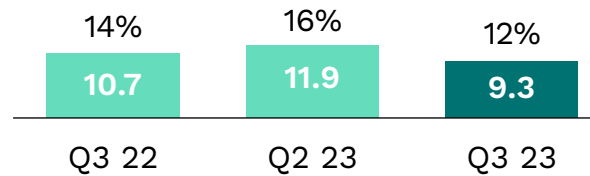
* incl. € 2.4m restructuring costs

** incl. € 1.4m restructuring costs

Marketing

in € m and in % of service revenues

(12%)

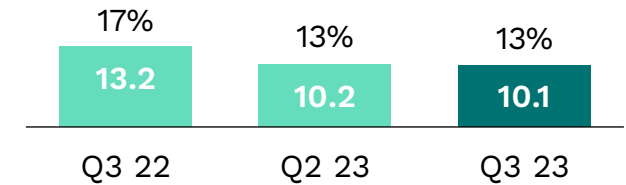


- Online display & social media
- B2B E-Recruiting media campaign
- Kununu salary data campaign
- Increased brand & performance marketing

Other expenses

in € m and in % of service revenues

(23%)



- External services (i. e. freelancers)
- Server hosting
- Payment processing
- Travel & entertainment
- Other

Rounding differences possible



Q3 23: Operating cash flow of €7.1m

	Q3 23	Q3 22	Q3 23 vs. Q3 22	Q2 23	Q3 23 vs. Q2 23
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	26.7	26.5	0.2	23.1	3.6
Interest / tax / other	(6.0)	(9.0)	3.1	(2.5)	(3.5)
Change in net working capital	(13.6)	(0.8)	(12.9)	(3.9)	(9.7)
Operating cash flow	7.1	16.6	(9.6)	16.7	(9.6)
Investment – operating	(5.4)	(6.8)	1.4	(9.0)	3.6
Investment – acquisitions & joint venture	0.0	0.0	0.0	0.0	0.0
Investment – financial assets	12.2	0.0	12.2	0.0	12.2
Interests paid, lease liabilities, FX rate diff. & rest	(2.2)	(2.1)	(0.1)	(2.2)	0.0
Cash flow excl. dividends	11.7	7.7	4.0	5.5	6.2
Regular dividend	0.0	0.0	0.0	(17.8)	17.8
Special dividend	0.0	0.0	0.0	(20.0)	20.0
Cash flow	11.7	7.7	4.0	(32.3)	44.0

Rounding differences possible




Results FY 2022



2022 P&L: € 313.4M revenues and € 104.1M EBITDA

	2022		2021		2022 vs. 2021	
	Abs.		Abs.		Rel.	Rel.
Service revenues	313.4		284.5		10%	28.9
Other operating income	3.0		1.4		110%	1.6
Capitalized own work	20.7		21.7		(5%)	(1.0)
Costs before capitalization	(233.0)		(209.8)		(11%)	(23.2)
EBITDA	104.1		97.9		6%	6.2
Margin	33%		34%		(1%pt)	
D&A	(37.9)		(40.0)		5%	2.0
Financial result	(2.8)	(1.1)	(0.4)	(0.8)	(585%)	(2.4)
Taxes	(17.3)	(17.9)	(14.2)	(14.1)	(22%)	(3.1)
Net income	46.1	47.3	43.3	43.0	6%	2.8
EPS	8.20	8.41	7.71	7.66	6%	0.5

 Pro-forma

Rounding differences possible



Segment EBITDA

	Segment EBITDA 2022	2022 Margin	Segment 2021	2021 Margin
B2B E-Recruiting	140.2	68%	114.4	67%
B2C	20.6	23%	35.4	36%
B2B Marketing Solutions	9.5	58%	11.3	68%
Tech, Central Services & Other	(66.2)		(63.2)	
Total EBITDA	104.1	33%	97.9	34%



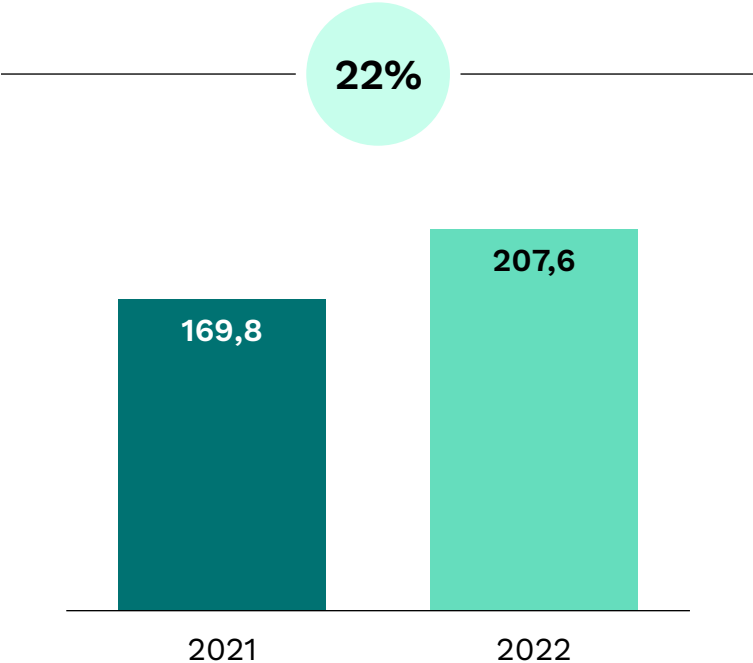
Note: To reflect our group strategy, we report a new segment split from 01/01/2023 onwards

Rounding differences possible

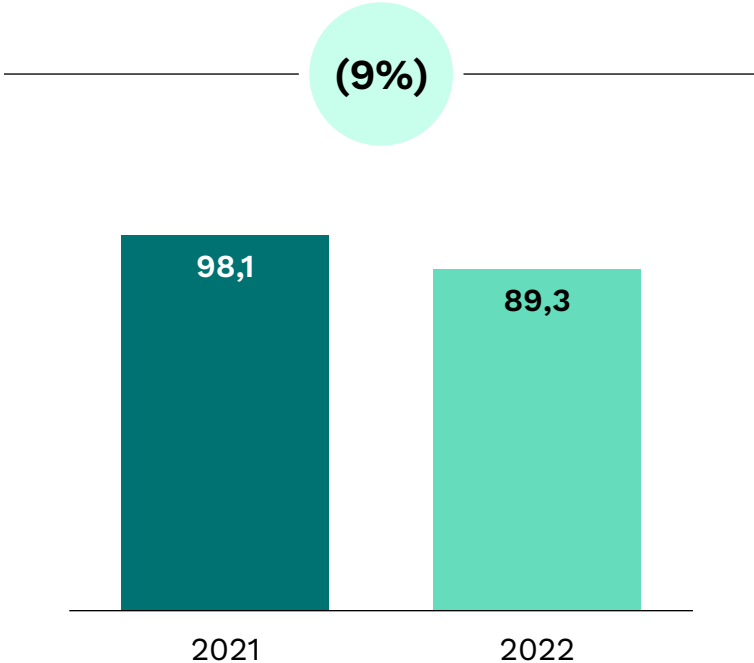


2022 service revenues: B2B e-recruiting segment growing strongly, Direct B2C monetization down given strategic focus on talent access

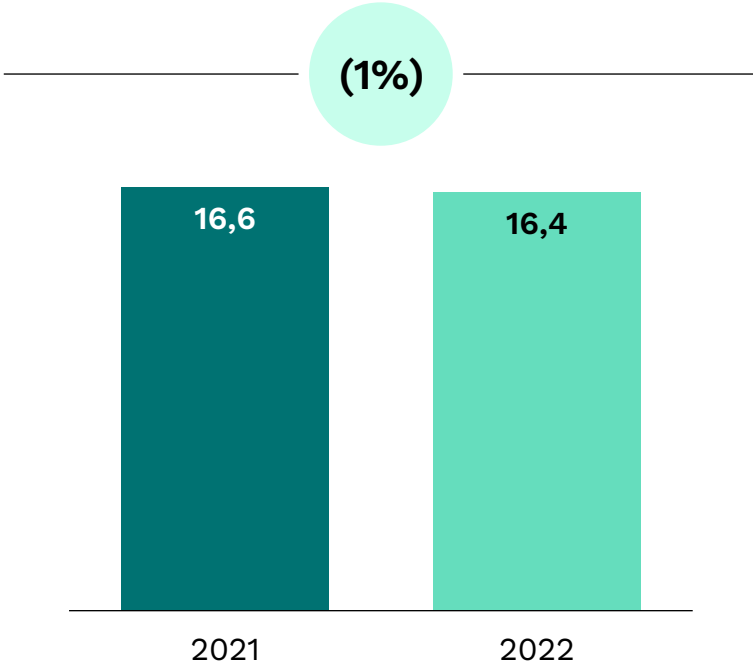
B2B E-Recruiting



B2C



B2B Marketing Solutions



Rounding differences possible



2022: free cash flow (before dividends) of €44.1m

	2022	2021	2022 vs. 2021	2022 vs. 2021
	Abs.	Abs.	Rel.	Abs.
EBITDA from continued operations	104.1	97.9	6%	6.2
Interest / tax / other	(19.6)	(19.0)	(3%)	(0.5)
Change in net working capital	(4.0)	6.7		(10.7)
▲ Discontinued operations	(1.4)	0.0		(1.4)
Operating cash flow excl. organiser cash	79.2	85.6	(8%)	(6.4)
Investment – operating	(28.4)	(41.2)	31%	12.8
Investment – acquisitions & joint venture	0.0	(2.1)		2.1
Investment – financial assets	(0.4)	0.0		(0.4)
Interests paid, lease liabilities, FX rate diff. & rest	(5.7)	(0.5)		(5.2)
▲ Discontinued operations	(0.6)	(2.3)	72%	1.7
Cash flow before dividends	44.1	39.5	12%	4.6
Regular dividend	(15.7)	(14.6)	(8%)	(1.2)
Special dividend	(20.0)	0.0		(20.0)
Cash flow incl. organiser cash	8.3	25.0	(67%)	(16.6)

Rounding differences possible



FY 2023: change in external segment reporting vs. 2022 reflecting new work SE group strategy

Segment reporting FY 2022 Today	Segment Revenues 2022	Segment EBITDA 2022	2022 Margin	From Jan 1, 2023 2022 based on future segment reporting	Segment Revenues 2022	Segment EBITDA 2022	2022 Margin	Comment
B2B E-Recruiting	207.6	140.2	68%	HR Solutions & Talent Access	208.2	62.9	30%	Focus on our winning aspiration
B2C	89.3	20.6	23%	B2C	88.8	50.0	56%	Cash cow: historical core business
B2B Marketing Solutions	16.4	9.5	58%	B2B Marketing Solutions	16.4	3.1	19%	Cash cow: by-product business
Tech, Central Services & Other	0.0	(66.2)	Neg.	General Admin	0.0	(11.9)	Neg.	
Total	313.4	104.1	33%	Total	313.4	104.1	33%	

- Tech, Central Services and other costs - which are centrally managed but belong to segments – will be allocated starting 1st January 2023
- Costs for „talent access“ of kununu and XING - which is the basis for revenues from HR Solutions- will be allocated in segment „HR Solutions & Talent Access“

Rounding differences possible



ESG @ NEW WORK SE





ESG @ New WORK SE


Our strategic action areas and material topics

Employees

- Working conditions
- Occupational health and safety
- Human resources development
- Diversity and equal opportunities


4
QUALITY
EDUCATION



5
GENDER
EQUALITY



8
DECENT WORK AND
ECONOMIC GROWTH


Products and services

- Product development and promise
- Information security
- Personal rights and informational self-determination


4
QUALITY
EDUCATION


8
DECENT WORK AND
ECONOMIC GROWTH


9
INDUSTRY INNOVATION
AND INFRASTRUCTURE



Environment


- Energy and emissions
- Environmental impacts in the supply chain

13
CLIMATE
ACTION


Society

- Contribution to the community²

4
QUALITY
EDUCATION


10
REDUCED
INEQUALITIES


Foundation: Governance

The review of our materiality analysis revealed that respecting human rights and fighting corruption and bribery are not material topics for New Work SE under the CSR-RUG. That's why we are not reporting any plans pertaining to these issues under the German Commercial Code.

² Not identified as a material topic in the materiality analysis; due to its high strategic relevance for New Work SE, this topic's relevance was upgraded and the topic was included in the CSR roadmap.



ESG @ New WORK SE

Our goals for 2025 at a glance

Employees

Recommendation rate
≥ 80%
kununu overall score ≥ 4.0 on average for the year

Maintain the quality
of content in our offers supporting the physical and mental health of employees

Internal recommendation rate for our seminars and training courses
≥ 60%

Annual 180° feedback
to strengthen and enhance leadership skills

Equal opportunity & diversity
are very important to us as an employer. We aim to achieve an annual average kununu score of ≥ 4 by 2025.

Products and Services

≥ 50%
of the job ads on XING will be integrated into the kununu Culture Score.

kununu Workplace Insights ≥ 9.6 million
the 2021 number of 4.8 million is expected to more than double by 2025

Tested security
to protect our systems

Planning of at least **2 internal audits/year**
to be carried out from 2025
Contents: company technologies and practices that impact user data

Society

Develop a method to measure and strengthen our **personal and social added value**

Environment

Climate-neutral operation of **100%**
of all data centers and cloud services from 2025

Climate neutrality¹
Long-term: define net zero target

¹ Climate neutrality means that when carbon emissions cannot be avoided by a company these are offset by high-quality carbon reduction certificates (certified climate change mitigation projects).



Investor relations

Contact details



Patrick Moeller

VP Investor Relations

NEW WORK SE
Am Strandkai 1
20457 Hamburg
Germany

Tel.: +49 (0)40 419 131-793

Fax.: +49 (0)40 419 131-44

E-mail: patrick.moeller@new-work.se



<https://www.new-work.se/en/investor-relations>

ESG topics

<https://www.new-work.se/en/Company-About-New-Work-SE/csr>