



XING — #1 Professional Social Network In German Speaking Europe

Q1 results

May 6, 2014

Executive Summary

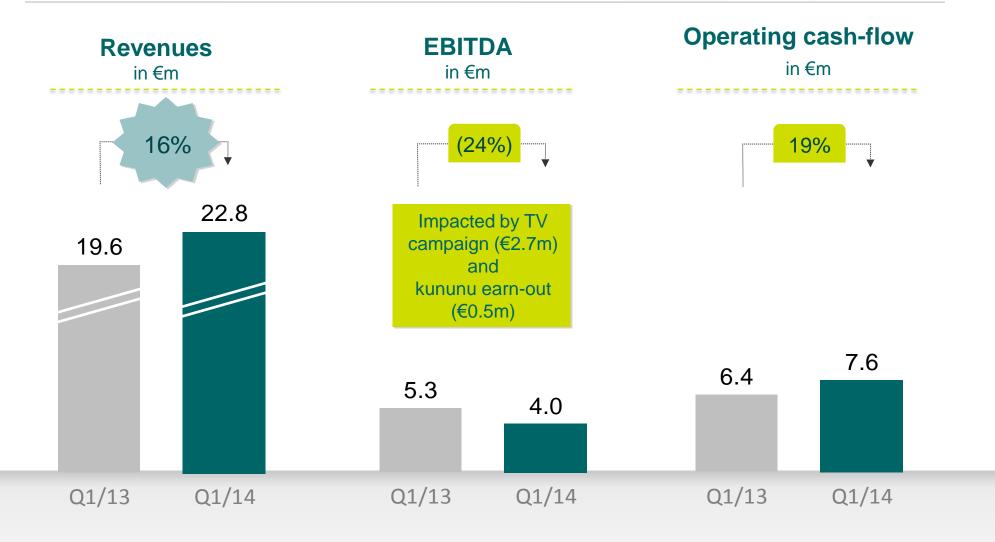


Accelerating organic top-line growth of 16% Strongest net member adds since 2009 with 242k net adds partly driven by TV campaign Revenue growth rate in Premium Club segment doubled vs. previous year Continuing product innovation (XING-EVENTS app, new EBP & job filters)

Strong organic growth in revenues with 16%





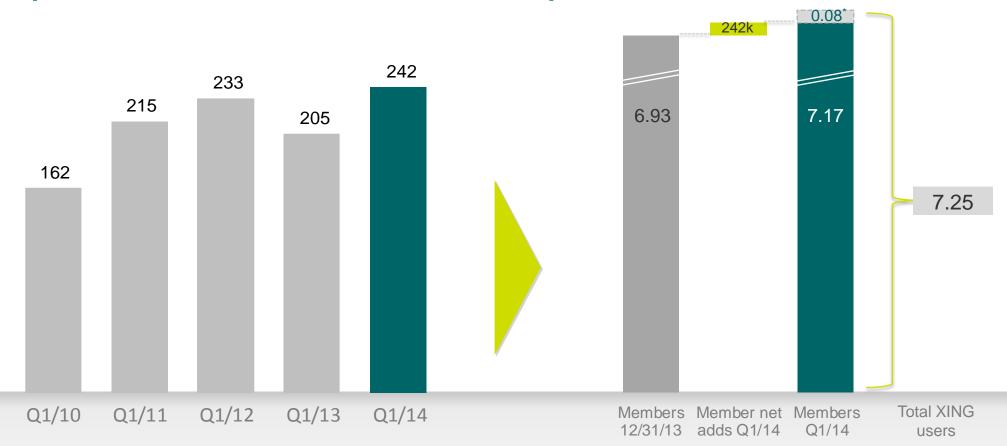


Strongest member growth since 2009

Start communication of XING-EVENTS user development



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

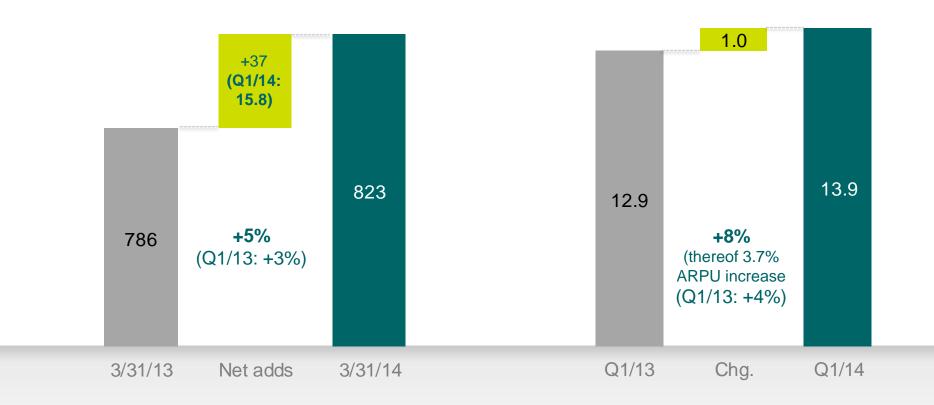


Growth rate in Network / Premium segment doubled Q1/2014: 8% vs. Q1/2013: 4%



Paying member base D-A-CH [thousands]

Network / Premium revenues [€m]



¹⁾ ARPU Q1/14: €5.26 (Q1/13: €5.07)



2 new Premium perks added in Q1 Total of 9 exclusive partnerships for XING Premium members









- 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)¹⁾



Improved Empoyer 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, stelllenanzeigen.de & yourfirm.de to icrease jobs inventory

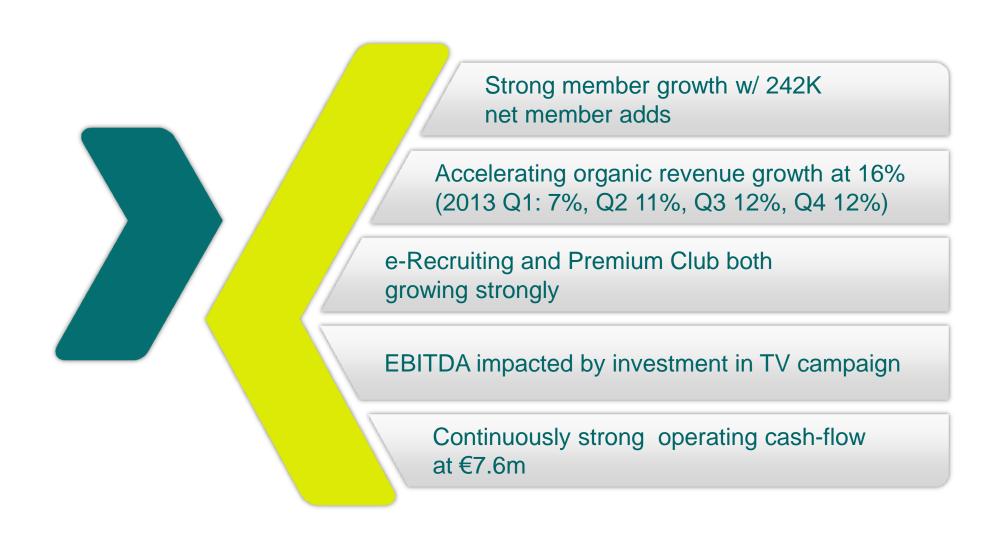
Total number of B2B e-recruiting customers: 16k (+450 vs. Q1/13)



Q1/14 numbers

Executive summary – Financials





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
(1) Including other operating income	Abs.	Abs.	%	Abs.	%
Total revenue ¹	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	(8.0)	(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 ¹	€ 3.5m ¹ € 3.0m ²	49% ¹ 42% ²
Events	(€ 0.5m)	(37%)
Tech, Central Services & Other	(€ 7.7m)	N.A.
Total EBITDA w/o kununu earn-out	€ 4.5m	20%

¹⁾ W/o kununu earn-out

²⁾ 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





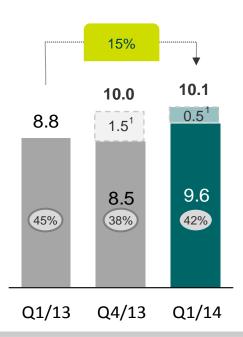
Marketing expenses impacted by TV campaign in Q1 (~€ 3m)



Personnel

in €m

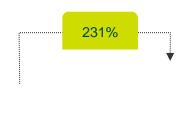
in % of total revenue

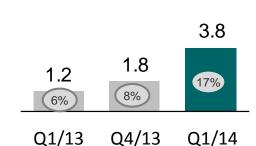


- Investment in product/technology organization & sales/marketing
- > 19 new FTEs in Q1/14
- > 53 new FTEs since March '13
- Q4/13 and Q1/14 including nonoperating costs from kununu earn-out

Marketing

in €m in % of total revenue



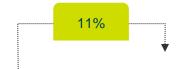


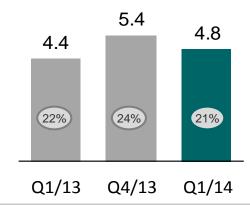
- > TV branding campaign in Q1/14
- > Online display & social media adv.
- Search engine marketing (SEM)
- Offline marketing expenditure (conferences & events, print, sponsoring)
- Affiliate marketing

Other expenses

in €m

in % of total revenue





- External services, legal, audit & consulting
- Payment processing, server hosting
- > Rent & other costs

¹⁾ 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
Assets	Abs. 115.7
ASSEIS	115.7
Operating assets	31.8
Acquisitions	10.9
TAX A/R	1.5
Cash	71.5
Liabilities	115.7
Equity	61.6
Deferred income	36.2
Liabilities	14.1
Tax liabilities	3.8



Invested capital w/o cash	(€18.5m)
Liabilities	(€14.1m)
Deferred income	(€36.2m)
Operating assets	€31.8m



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
Total revenues	94.3	105.8	121.3
EBITDA	29.4	35.3	42.1
Margin	31%	33%	35%
Depreciation	(8.6)	(9.2)	(9.8)
EBIT	20.7	26.0	32.3
Margin	22%	25%	27%
Net income	14.0	17.9	21.6
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

TecDax ranking end of March 2013		
Market Cap.	27	
Turnover	27	

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		

XING share price development since IPO in Dec 06



as of May 02, 2014



Investor Relations

Contact details & social media channels





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