XING – #1 Professional Social Network In German Speaking Europe

Q2 results
August 6, 2013
Executive Summary

- Strongest member growth in the last 12 months
- Accelerating top-line growth in Q2/13
- Numerous important product launches
- kununu business successfully integrated
Continued member growth in core region
Lot of scope still available for further growth in D-A-CH

Member base [millions] & net adds [thousands]

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>5.28</td>
<td>233</td>
<td>203</td>
<td>196</td>
<td>184</td>
<td>205</td>
<td>211</td>
</tr>
</tbody>
</table>

Daily active users (DAU): H1/13 vs. H1/12: +19%

Addressable market in D-A-CH: ~20m
Paying subscriber base growing

Paying member base & net adds in D-A-CH [thousands]

New pricing effective as of June 2013
- 3-month membership: €9.95 p.m. (+€2)
- 12-month membership: €7.95 p.m. (+€1)
Accelerating top-line growth in Q2/13

Revenues in €m

Q2/12: 18.2
Q2/13: 20.9

EBITDA in €m

Q2/12: 5.1
Q2/13: 5.9

Operating cash flow in €m

Q2/12: 3.9
Q2/13: 6.9

15% (Q1: 11%)

15%

78%
Launch of "New profile" (1)

Professional experience

02/2012 - present
Senior Product Manager / Team Leader
Almanos Medical Systems Inc.
www.almanos.com

07/2008 - 01/2012
Product Manager
Almanos Medical Systems Inc.
www.almanos.com

04/2007 - 06/2008
Junior Product Manager
ffrh Futura
www.ffrh.com

01/2007 - 03/2007
Internship
ffrh Futura
www.ffrh.com

Define jobseeker status
Interested in current vacancie(s)?

Who can see this?
Only me

Preferred cities
Hamburg, Deutschland

Introduce yourself
Full name
Lara Peters

Salary expectation
Up to 45.000 EUR

Discipline
Finance & Accounting

"Wir gehören zu den wichtigsten Anbietern im Bereich Medizinische Systeme – weltweit. Es macht Spaß, an diesen Erfolg teilhaben zu können."

Tweets

Lara Peters (@lapeters)
83 Tweets
372 Abonniert
68 Abonnements

Lara Peters (@lapeters)
7 Stunden
Almanos Medical Systems auch Praktikant innerhalb Research & Development
http://www.deutsche/​

Lara Peters (@lapeters)
2 Tagen
Umzug: Almanos Medical System in neues Gebäude umgezogen
http://www.deutsche/​

Lara Peters (@lapeters)
2 Tagen
Eine neue Verleihung. La Tavola statt BMF
http://www.deutsche/​

Lara Peters (@lapeters)
4 Tagen
Als Mitarbeiterin interessanter Aussteller als Kunden geworden

Profile details
Portfolio
Other web profiles
Contacts
Groups
Topics
Activity
Launch of “New profile” – Career portfolio (2)

- CV-based profile becomes career portfolio
- Available for everyone ranging from baker to dentist
- Present projects, products & services that you offer by adding text, images and other documents
- Easy to use drag-and-drop features
XING Talent Manager continues to beat internal expectations

- XTM selling above internal forecasts: >2,000 seats sold
- >20 new features and functionalities added during last 6 months
- XTM customer split today: 60% corporates / 40% headhunters
- Next major product improvement planned for 09/2013
Launch of “Social Job Ads”

- Provides more information and transparency to applicants
- Employer ratings increase relevance of job applications
- Information about your connection to the company
- Direct access to HR
kununu was successfully integrated at the end of Q2
Team in Vienna selling “Employer Branding Profiles” since May 2013

- Successful launch on 14 May (in time for “Personal Nord” exhibition)
- New pricing introduced:
  - 5 tiers based on company size
  - Ranging from €395 - €1,095 per month

XING ID on kununu
Rate your employer action on CP
kununu compulsory for new business
Competitive advertising on XING
kununu rating widget on XING startpage
Launch of new job ad incl. kununu data

February
Kununu on BASICs
March
New Ratings tab on CP
April
XING Jobs on Kununu
May
Launch of combined Employer Branding Profile
June
Kununu compulsory for all CPs
July
Q2/2013 figures

The professional network
www.xing.com
Executive summary – Financials

- Member base and activity continue to grow
- Revenue growth is accelerating to 15% yoy
- EBITDA increasing to €5.9m
- Operating cash flow at €6.9m
- kununu with positive impact on EBITDA and CF
Q2/13: €20.9m revenues, €5.9m EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Q2/13</th>
<th>Q1/13</th>
<th>Q2/13 vs. Q1/13</th>
<th>Q2/12</th>
<th>Q2/13 vs. Q2/12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Abs.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue¹</td>
<td>20.9</td>
<td>19.6</td>
<td>7</td>
<td>18.2</td>
<td>15</td>
</tr>
<tr>
<td>Costs</td>
<td>(15.0)</td>
<td>(14.3)</td>
<td>(5)</td>
<td>(13.1)</td>
<td>15</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5.9</td>
<td>5.3</td>
<td>10</td>
<td>5.1</td>
<td>15</td>
</tr>
<tr>
<td>Margin</td>
<td>28%</td>
<td>27%</td>
<td>1%pts</td>
<td>28%</td>
<td>0%pts</td>
</tr>
<tr>
<td>Depreciation (incl. PPA)</td>
<td>(1.9)</td>
<td>(2.3)</td>
<td>16</td>
<td>(2.1)</td>
<td>7</td>
</tr>
<tr>
<td>Financial result</td>
<td>0.0</td>
<td>0.0</td>
<td>(23)</td>
<td>0.1</td>
<td>(77)</td>
</tr>
<tr>
<td>Taxes</td>
<td>(1.3)</td>
<td>(1.1)</td>
<td>(19)</td>
<td>(1.1)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>2.7</td>
<td>2.0</td>
<td>35</td>
<td>2.1</td>
<td>30</td>
</tr>
</tbody>
</table>

(1) Including other operating income

Member base and member activity continue to grow
Q2/2013: e-recruiting and events with accelerating growth rates

Premium Club in €m
- Q2/12: 12.9
- Q2/13: 13.6
- Growth: 5%

e-Recruiting in €m
- Q2/12: 3.9
- Q2/13: 5.6
- Growth: 43% (Q1: 32%)

Events in €m
- Q2/12: 1.0
- Q2/13: 1.4
- Growth: 35% (Q1: 5%)
Personnel main investment area to further drive company growth

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Marketing</th>
<th>Other expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>in €m</td>
<td>in €m</td>
<td>in €m</td>
</tr>
<tr>
<td>in % of total revenue</td>
<td>in % of total revenue</td>
<td>in % of total revenue</td>
</tr>
<tr>
<td>Q2/12</td>
<td>Q1/13</td>
<td>Q2/13</td>
</tr>
<tr>
<td>Q2/12</td>
<td>Q1/13</td>
<td>Q2/13</td>
</tr>
<tr>
<td>Q2/12</td>
<td>Q1/13</td>
<td>Q2/13</td>
</tr>
</tbody>
</table>

- **Personnel**
  - Investment in product/technology organization & sales/marketing
  - 6 new FTEs in Q2/13
  - 39 new FTEs since Q2/12

- **Marketing**
  - Online display & social media adv.
  - Search engine marketing (SEM)
  - Offline marketing expenditure (conferences & events, print, sponsoring)
  - Affiliate marketing

- **Other expenses**
  - External services, legal, audit & consulting
  - Payment processing, server hosting
  - Rent & other costs

**YoY cost development reflects first-time consolidation of kununu**
### Q2/2013: Operating cash flow: €6.9m

<table>
<thead>
<tr>
<th></th>
<th>Q1/13</th>
<th>Q2/13 vs. Q1/13</th>
<th>Q2/12 vs. Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Abs.</strong></td>
<td></td>
<td>Abs.</td>
<td>Abs.</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>5.8</td>
<td>5.3</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Interest/tax/ESOP</strong></td>
<td>(1.2)</td>
<td>(1.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Δ Net working capital</strong></td>
<td>2.3</td>
<td>2.2</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Operating cash flow excl. organizer cash</strong></td>
<td>6.9</td>
<td>6.4</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Investment – operating</strong></td>
<td>(2.7)</td>
<td>(1.8)</td>
<td>(0.9)</td>
</tr>
<tr>
<td><strong>Investment – acquisitions</strong></td>
<td>(0.1)</td>
<td>(2.9)</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Financing incl. transaction of own shares</strong></td>
<td>1.7</td>
<td>0.0</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Free cash flow excl. organizer cash &amp; dividends</strong></td>
<td>5.9</td>
<td>1.7</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>Regular dividends</strong></td>
<td>(3.1)</td>
<td>0.0</td>
<td>(3.1)</td>
</tr>
<tr>
<td><strong>Free cash flow excl. event organizer cash &amp; incl. dividends</strong></td>
<td>2.8</td>
<td>1.7</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Effects organizer cash</strong></td>
<td>0.0</td>
<td>1.0</td>
<td>(1.0)</td>
</tr>
<tr>
<td><strong>Free cash flow incl. organizer cash &amp; dividends</strong></td>
<td>2.8</td>
<td>2.7</td>
<td>0.1</td>
</tr>
</tbody>
</table>
Thank you for your kind attention!
Negative invested capital from shareholders' perspective

in €m
[Excl. event organizer cash and NWC]

<table>
<thead>
<tr>
<th>Assets</th>
<th>Abs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating assets</td>
<td>€26.2m</td>
</tr>
<tr>
<td>Acquisitions / international</td>
<td>€16.6m</td>
</tr>
<tr>
<td>TAX A/R</td>
<td>€1.6m</td>
</tr>
<tr>
<td>Cash</td>
<td>€60.7m</td>
</tr>
<tr>
<td>Equity/Liabilities</td>
<td>€105.0m</td>
</tr>
<tr>
<td>Equity</td>
<td>€55.1m</td>
</tr>
<tr>
<td>Deferred income</td>
<td>€30.6m</td>
</tr>
<tr>
<td>Liabilities</td>
<td>€15.9m</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td>€3.4m</td>
</tr>
<tr>
<td>Other</td>
<td>€0.0m</td>
</tr>
</tbody>
</table>

**Invested capital w/o cash**: (€20.3m)
Investor information & contact
**XING AG IR stats**

Market cap: ~€320m / >€60m cash / no debt

<table>
<thead>
<tr>
<th>Consensus</th>
<th>2013e</th>
<th>2014e</th>
<th>2015e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>82.7</td>
<td>93.2</td>
<td>102.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>23.9</td>
<td>29.9</td>
<td>35.5</td>
</tr>
<tr>
<td>Margin</td>
<td>29%</td>
<td>32%</td>
<td>35%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-8.4</td>
<td>-8.6</td>
<td>-8.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>15.5</td>
<td>21.3</td>
<td>27.0</td>
</tr>
<tr>
<td>Margin</td>
<td>19%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Net income</td>
<td>10.9</td>
<td>15.0</td>
<td>19.3</td>
</tr>
<tr>
<td>EPS in €</td>
<td>1.98</td>
<td>2.72</td>
<td>3.48</td>
</tr>
<tr>
<td>DPS in €</td>
<td>0.70</td>
<td>0.87</td>
<td>1.33</td>
</tr>
</tbody>
</table>

**Average trading volume per day (XETRA)**

- July 12: 12 thousand
- Sep-12: 6 thousand
- Nov-12: 15 thousand
- Jan-13: 10 thousand
- Mar-13: 6 thousand
- May-13: 4 thousand
- Jul-13: 12 thousand
- Aug-13: 15 thousand
- Sep-13: 3 thousand

**Analyst coverage**

- Berenberg Bank
- Commerzbank
- Close Brothers
- Deutsche Bank
- Hauck & Aufhäuser
- JP Morgan Cazenove
- MM Warburg
- Montega

**Shares**

- 5,580,252

**TecDax ranking end of July 2013**

<table>
<thead>
<tr>
<th>Market Cap.</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>34</td>
</tr>
</tbody>
</table>

**Top shareholders end of July 2013**

- Burda Digital GmbH: 2,922,244 shares, 52.37%
- DWS Investment: 361,000 shares, 6.47%
- Ennismore: 293,622 shares, 5.26%
- Schroders: 282,421 shares, 5.06%
- Ruane, Cunniff & Goldfarb: 169,259 shares, 3.03%
- Treasury Shares: 37,832 shares, 0.68%
- Other: 1,513,872 shares, 27.13%

*Numbers based on last filing – actual shareholdings can differ*
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
IR website: http://corporate.xing.com/english/investor-relations/

http://twitter.com/xing_ir
http://www.slideshare.net/patmoeller
http://www.youtube.com/XINGcom
http://blog.xing.com
skype:patrickmoeller?add