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

CAGR ~ 20%

Revenue

EBITDA

2012

2016E

145 - 150

73

22

~45

XING share price development since Jan 2013

DAX

+57%

TecDAX

+131%

XING AG

+470%
Success of XING due to consequent change of organization based on new vision and mission

Redefined Vision

From being "Pure network" to services "For a better working life"

"Enable professionals to grow" (B2C focus)

New Mission

Stay ahead
- Stay largest, most active, best quality profiles network in D-A-CH

Become different
- Focus on megatrend work 4.0
- Local and offline value propositions
- Employer-independent network

Two fold Strategy

- From functional to BU organization
- Focus on innovation capability
- Strengthening accountability, improved skill levels & building a solid technological foundation

Powerful Organization
## Organizational changes as driver for innovation

### Organizational Innovation 2012 - 2016

<table>
<thead>
<tr>
<th>Product</th>
<th>Marketing</th>
<th>Sales</th>
<th>Central</th>
</tr>
</thead>
</table>
| • Strong innovation  
  • Faster execution | • Regular TV campaigns  
  • Increased B2B marketing  
  • Optimized B2C marketing | • Sales force from 64 (2012) to >150 (2016)  
  • Increased sales productivity (+30%)  
  • Switch to "hunter/farmer" model | • Ramp up data science  
  • Establishing Central procurement  
  • Successful M&A  
  • Improved HR processes |

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**Setting the stage for further growth of XING (from 5 to 8 BU’s) to secure innovation and new product launches 2016ff**
Building strong M&A track record

2013

Market leader in employer branding

€ 4.6m + 3.9m Earn-Out (paid)

2014

Strong push for member acquisition

N/A

2015

Build the largest and most relevant jobs marketplace

€ 6.3m + up to 1.3m Earn-Out

2016

Build the market leader in digital referral management

€ 2.7m + up to 4.4m Earn-Out
Megatrends strongly support our aspirations

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

**Shortage of skilled workforce**
- Employer assessment
- Shorter retention times

**Changes in values of Generation Y**
- Flexibility, independence, and self-determination
- Suitable work-life balance

**B2C Impact**
- Adaptation of business models
- Strong need for digital experts

**B2B Impact**
- 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

25 million white collar professionals in D-A-CH

**B2C**
- €2.5bn paid memberships market @ rise in size

Add-on potential
- 26m blue collar professionals
- International communities

**B2B**
- €3bn e-recruiting market @ strong structural shift
- ~€8bn addressable market for online advertising and B2B marketing
- ~€0.5bn addressable events market
We aim to reach 2 out of 3 white collar professionals by 2020

Members & addressable market in million

**2012**
- **XING**
  - Market Penetration: 24% (~ 6m)
  - **25m**

**2016**
- Additional **1.3m p.a.**
  - **25m**
    - Market Penetration: 44% (~ 11m)

**2020**
- Additional **1.5m p.a.**
  - **25m**
    - Market Penetration: 64% (~ 16m)
Addressable B2C market of 2.5bn for paid memberships in D-A-CH

Addressable B2C market 25m white collar professionals

Total consumption (22,000 p.a.) €45 - 50bn p.a.

Memberships related spending ~ 0.5% €2.5bn p.a.

Examples for paid member clubs

<table>
<thead>
<tr>
<th></th>
<th>ARPU (p.a.)</th>
<th>Paying members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitness First</td>
<td>~500€</td>
<td>~ 0,3m</td>
</tr>
<tr>
<td>Spotify</td>
<td>~220€</td>
<td>~ 1,2m</td>
</tr>
<tr>
<td>ADAC</td>
<td>~65€</td>
<td>~ 15m*</td>
</tr>
<tr>
<td>FC Bayern München</td>
<td>~60€</td>
<td>~ 19m</td>
</tr>
<tr>
<td></td>
<td>~50€</td>
<td>~ 0,3m</td>
</tr>
</tbody>
</table>

Source: XING research * Spotify ~60m total members
€3bn E-recruiting market still offering enormous growth potential for us

<table>
<thead>
<tr>
<th>E-Recruiting Value Chain</th>
<th>Addressable market size and growth</th>
<th>Market Drivers</th>
<th>XING Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attract</td>
<td>€ 400m</td>
<td>Employer branding</td>
<td>€ ~50m</td>
</tr>
<tr>
<td>Source</td>
<td>€ 2,600m</td>
<td>Digitization &amp; active sourcing</td>
<td>~ 2% of market</td>
</tr>
<tr>
<td>Select</td>
<td>€ &lt; 100m</td>
<td>Digitization &amp; matching</td>
<td></td>
</tr>
<tr>
<td>Hire</td>
<td>€ &lt; 100m</td>
<td>Onboarding</td>
<td></td>
</tr>
<tr>
<td>Retain</td>
<td>€ &lt; 100m</td>
<td>Development &amp; benefits</td>
<td></td>
</tr>
<tr>
<td>Manage</td>
<td>€ 300m</td>
<td>Applicant Tracking Systems</td>
<td></td>
</tr>
</tbody>
</table>

Not tapped yet
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

Revenue growth
2016 - 2020

~ 125 - 155

B2C Innovation
30 - 40

B2B Innovation
95 - 115
B2C growing through strong innovation in current and new markets

**XING 2020: B2C Innovation Areas**

- **New Markets**
  - Not in scope

- **Current Markets**
  - A: XING Premium, XING ProJobs, XING ProCoach
  - B: New Pro Listings

- **C: Learning & Education, Blue Collar, Vertical memberships** (Potential M&A)

**Current Products** ~ 10 - 15m

**New Products** ~ 20 - 25m
Existing paid memberships to remain driver for B2C segment growth

Net payer adds in ‘000

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>~50</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARPU</td>
<td>62€</td>
<td>63€</td>
<td>67€</td>
<td>76€</td>
<td>&gt;80€</td>
</tr>
</tbody>
</table>

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**

- **Premium members (~ 1m by 2020)**
  - High ARPU "Pro" memberships @ €200-500 p.a.
- **Basic members (~ 16m by 2020)**
  - Low ARPU Premium @ ~€75 p.a.
  - Free entry @ €0

**Key innovation drivers 2020**

- Large installed base of members with no targeted offering today
- **Active up-selling** 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

<table>
<thead>
<tr>
<th>New B2C Markets</th>
<th>Rationale</th>
<th>XING Unfair Advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning/Education</td>
<td>• Professional development</td>
<td>• Events heritage</td>
</tr>
<tr>
<td></td>
<td>• Market disruption potential</td>
<td>• Economic graph</td>
</tr>
<tr>
<td>Blue Collar Jobs</td>
<td>• New &gt;20m B2C target group</td>
<td>• B2B access</td>
</tr>
<tr>
<td></td>
<td>• Growing share of wallet</td>
<td>• Current assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Lebenslauf.com, jobbörse.com)</td>
</tr>
<tr>
<td>Vertical networks</td>
<td>• High ARPU potential</td>
<td>• Network skills</td>
</tr>
<tr>
<td></td>
<td>• Internationalization potential</td>
<td>• Technology in place already</td>
</tr>
</tbody>
</table>
B2B: Growing through innovation in current markets

**XING 2020: B2B Innovation Areas**

**New Markets**
- Not in scope

**Current Markets**
- **A**
  - Active Sourcing (XTM)
  - Passive Recruiting (XJM)
  - Employer Branding (EBP)
- **B**
  - Referral management (XRM)
  - Reinvent Advertising & Events business

**Current Products**
- +60 - 70m

**New Products**
- +35 - 45m
B2B E-Recruiting: Active Sourcing (XTM) & Employer Branding (EBP) driving growth

**XTM/EBP Customers**

<table>
<thead>
<tr>
<th>Year</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>485</td>
</tr>
<tr>
<td>2013</td>
<td>1,358</td>
</tr>
<tr>
<td>2014</td>
<td>3,245</td>
</tr>
<tr>
<td>2015</td>
<td>4,652</td>
</tr>
<tr>
<td>2016E</td>
<td>~5,800</td>
</tr>
</tbody>
</table>

**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
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

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

Source: www.anzeigendaten.de
B2B E-Recruiting: Passive Sourcing (XJM)
New Right to play

XJM for XING members
"Finding the needle in the haystack"

XJM for XING customers
"Staffing the position successfully"

Core need

vs. pure Job Boards
All jobs @ XING!
not only those ones companies paid for

vs. pure Job Crawlers
Most relevant jobs (incl. reviews) for me @ XING!
Better recos through profile matching; transparency through kununu reviews

Better candidates @ XING!
and direct access through XING network

More candidates @ XING!
Reaching also snoozers & sleepers
# B2B E-Recruiting: Improving existing, launch new products and expand the value chain

<table>
<thead>
<tr>
<th>E-Recruiting Value Chain</th>
<th>XING Products Today</th>
<th>Tomorrow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attract</td>
<td>Employer Branding Profile (kununu EBP)</td>
<td>• Strengthen market position in EBP (improving product, sales &amp; marketing)</td>
</tr>
<tr>
<td>Source</td>
<td>XING Talentmanager (XTM), XING Jobs Marketplace (XJM)</td>
<td>• XTM, XJM (improving product, sales &amp; marketing) • New XING Referral Manager (XRM)</td>
</tr>
<tr>
<td>Select</td>
<td>Not tapped yet</td>
<td>• Attractive target E-Recruiting sub-segment • Need for digitization • XING to launch additional products for SME’s</td>
</tr>
<tr>
<td>Hire</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retain</td>
<td></td>
<td></td>
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<tr>
<td>Manage</td>
<td></td>
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</tbody>
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B2B Advertising & Events: Restart business with push towards native advertising

Advertising & Events revenue share

- 2012: 9%
- 2016: 10%
- 2020e: >10%

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

We are native

We are relevant
Financial outlook
XING 2020
Our target: Keep strong growth, slightly increase margins, ~100m EBITDA in 2020

<table>
<thead>
<tr>
<th>Key Financials 2016-2020</th>
<th>Top line growth 2016-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>New Markets</td>
</tr>
<tr>
<td>145 - 150</td>
<td>Not in scope</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Current Markets</td>
</tr>
<tr>
<td>~45</td>
<td>High visibility</td>
</tr>
<tr>
<td>2016E</td>
<td>Current Products</td>
</tr>
<tr>
<td>~100</td>
<td>Good visibility</td>
</tr>
<tr>
<td>2020E</td>
<td>New Products</td>
</tr>
</tbody>
</table>
Summary

- **2020**
  - Reach ~ 100m EBITDA

- **2019**
  - Grow topline 17-20%
  - Slightly increase EBITDA margin to ~33%

- **2018**

- **2017**

- **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
Consensus, investor information & contact details
XING AG IR stats
Market cap: ~€1bn / >€ 75m cash / no debt

Consensus from 12 brokers collected by XING IR

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

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

<table>
<thead>
<tr>
<th>Month</th>
<th>Trading Volume</th>
<th>Market Cap (in € m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug '15</td>
<td>1047,9</td>
<td>16597</td>
</tr>
<tr>
<td>Sep '15</td>
<td>8406</td>
<td>13646</td>
</tr>
<tr>
<td>Oct '15</td>
<td>7722</td>
<td>13588</td>
</tr>
<tr>
<td>Nov '15</td>
<td>7420</td>
<td>13646</td>
</tr>
<tr>
<td>Dec '15</td>
<td>7174</td>
<td>1015,1</td>
</tr>
<tr>
<td>Jan '16</td>
<td>9358</td>
<td>1015,1</td>
</tr>
<tr>
<td>Feb '16</td>
<td>19613</td>
<td>1015,1</td>
</tr>
<tr>
<td>Mar '16</td>
<td>19613</td>
<td>1015,1</td>
</tr>
<tr>
<td>Apr '16</td>
<td>13646</td>
<td>1015,1</td>
</tr>
<tr>
<td>May '16</td>
<td>619</td>
<td>6610</td>
</tr>
<tr>
<td>Jun '16</td>
<td>4225</td>
<td>5570</td>
</tr>
<tr>
<td>Jul '16</td>
<td>9825</td>
<td>5570</td>
</tr>
<tr>
<td>Aug '16</td>
<td>6610</td>
<td>5570</td>
</tr>
</tbody>
</table>

Burdigitals 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%

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
Investor Relations contact details & social media channels

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skype:patrickmoeller?add