



**NEW  
WORK  
SE**

# NEW WORK SE CAPITAL MARKETS DAY

Hamburg, March 31<sup>st</sup> 2021



# SETTING THE SCENE

# INTRODUCTION TO NWSE: PIONEERING A WORLD OF WORK WHERE PEOPLE CAN DO WHAT THEY LOVE AND LOVE WHAT THEY DO

## Company facts

- Founded in **2003** as **openBC**, renamed as **XING** in **2006**
- Formation as **New Work SE** in **2019**
- Over **1,900** employees with offices in **Hamburg (HQ), Barcelona, Porto, Valencia, Vienna, Zurich, Berlin, Munich**

## Vision

“For a better working life.”

## Mission

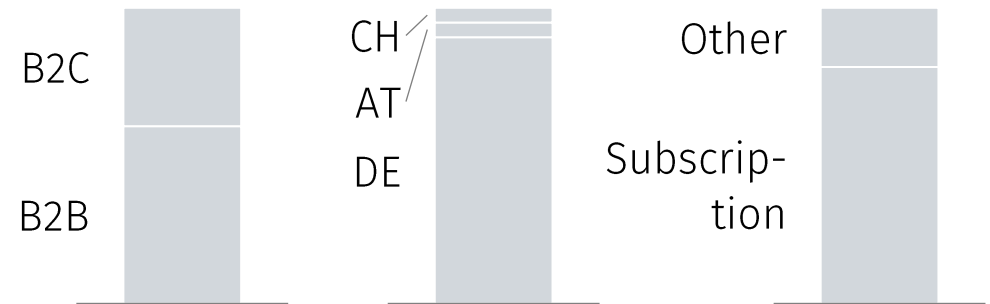
“We pioneer a working world where people can do what they love and love what they do.”



## Company KPI

- **€276m** revenues
- **€92m** pro-forma EBITDA
- **33%** pro-forma EBITDA-margin
- **€1.3b** market capitalization

## Revenue structure



# NEW, EXPERIENCED AND FULLY ALIGNED MANAGEMENT AND SUPERVISORY BOARD TO PUSH FUTURE GROWTH



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**CEO**  
**Petra von Strombeck**

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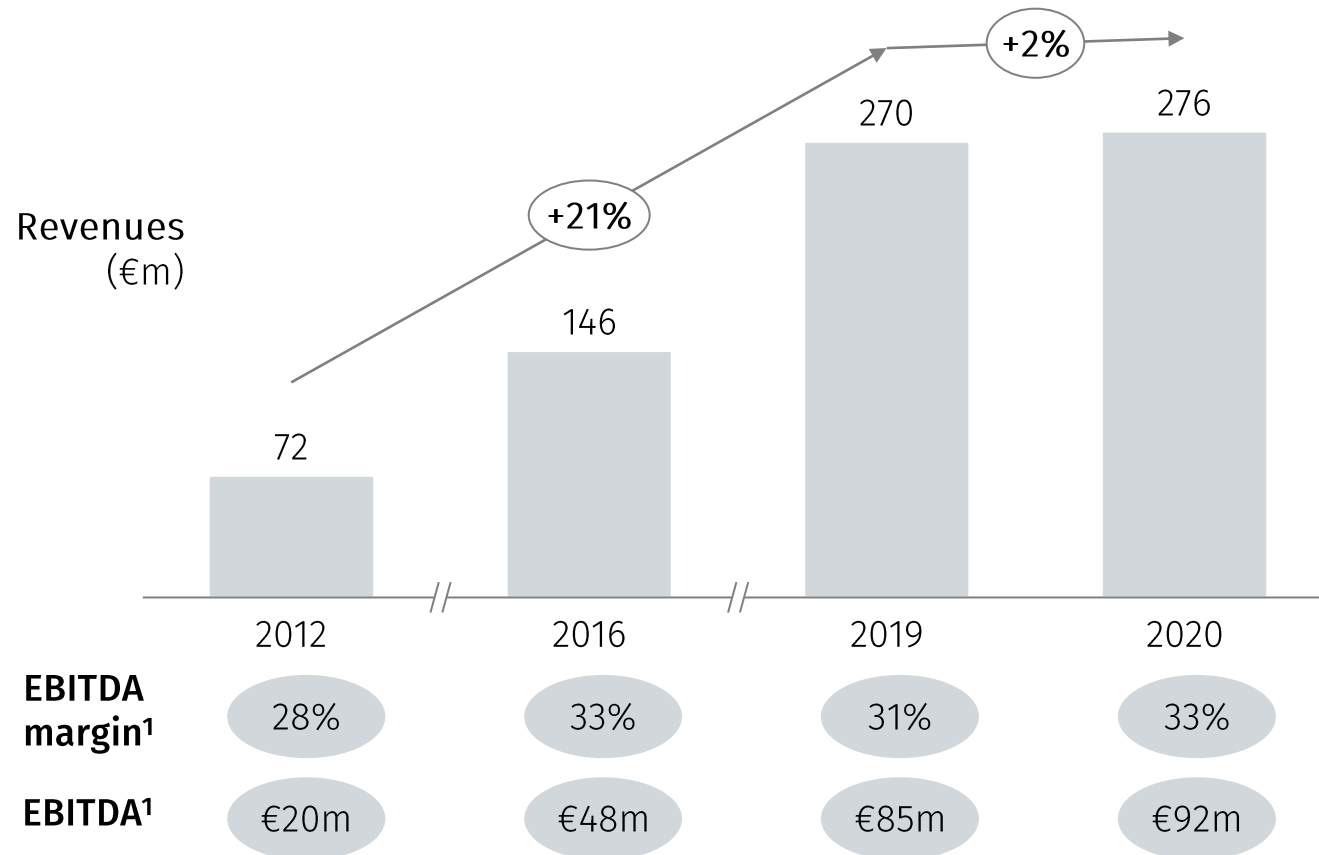
Track record in scaling digital consumer business models in highly dynamic and competitive market environments

**Chair of Supervisory Board**  
**Martin Weiss**

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20+ years experience in running, mentoring and investing in digital companies globally

# OUR BUSINESS MODEL HAS PROVEN TO BE RESILIENT DURING THE PANDEMIC, DEMONSTRATING STABLE REVENUES AND PROFIT



## Annual growth:

	2016-19	2019-20
▪ XING platform members	15%	10%
▪ kununu workplace insights	36%	31%
▪ B2B E-Recruiting subscription customers	32%	(3%)

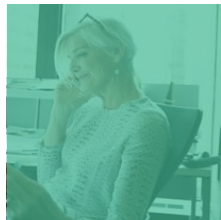
## Context change in 2020: COVID

- Short-term impact:
  - Challenge asking for immediate reactions
  - Proof for the resilience of NWSE's business models
- Long-term impact:
  - Chance for new impulses and a strategic evolution
  - Catalyst for external supportive trends

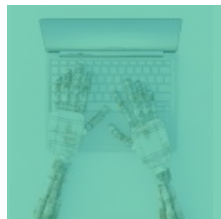
1. Financial KPI on pro-forma basis

# COVID HAS NOT CHANGED (AND IN FACT ACCELERATED SOME) FUNDAMENTAL HR MEGATRENDS

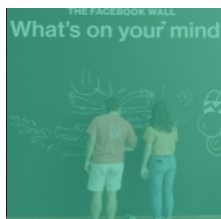
## Megatrends



**Demographic change**



**Automation and digitization**



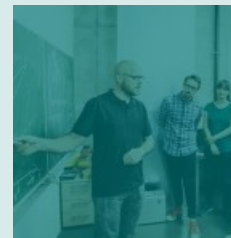
**Changing values**



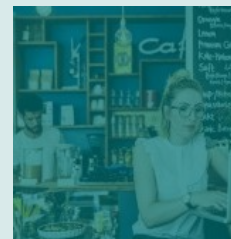
## Market effects (Germany)



**Unbalanced labor market**



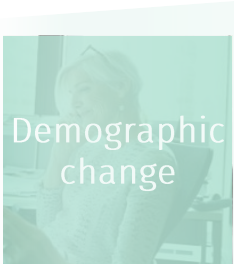
**Need for lifelong-learning**



**Changing ways of working**

# THE LABOR MARKET HAS SHIFTED INTO AN INCREASING IMBALANCE OF RISING TALENT DEMAND AND DECREASING TALENT SUPPLY

## Megatrends > Market effects (Germany)




**~4.9m** expected unfilled vacancies in Germany by 2030

**~70%** of recruiters reporting difficulties in finding talent

**73%** of recruiters said in 2018 that their time-to-hire had increased during the past 5 years

### Number of days to fill a vacant position

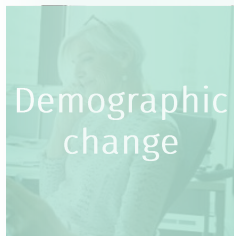
 2010:  
**57 days**

 2020:  
**132 days**

Source: bitkom; Bundesagentur für Arbeit; IAB

# EMPLOYERS AND EMPLOYEES PREPARE FOR LIFELONG LEARNING AS MEGATRENDS RESHAPE OUR WORKING WORLD

## Megatrends > Market effects (Germany)



**~48%** of job profiles expected to change due to digitalization within the next 10 years

**99%** of companies believing in growing importance of lifelong learning

**€41b** overall corporate spending on training & development in 2019

**~60%** of companies invest into digital skill education

## Annual training & development per employee

2016: **17.3 hours**

2019: **18.3 hours**

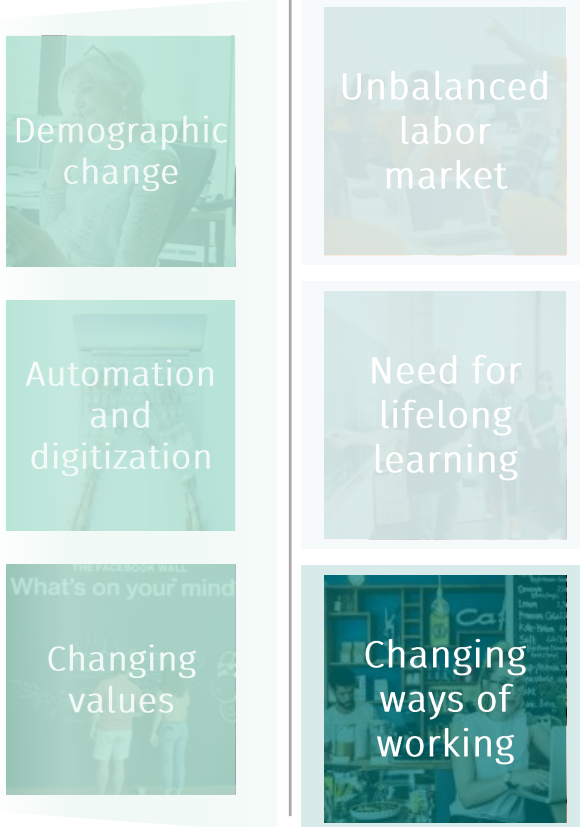


Source: Bundesagentur für Arbeit; Institut der deutschen Wirtschaft



# CHANGING VALUES OF YOUNGER GENERATIONS RAISE THE BAR FOR EMPLOYERS AS EMPLOYEES DEMAND NEW WAYS OF WORKING

## Megatrends ➤ Market effects (Germany)

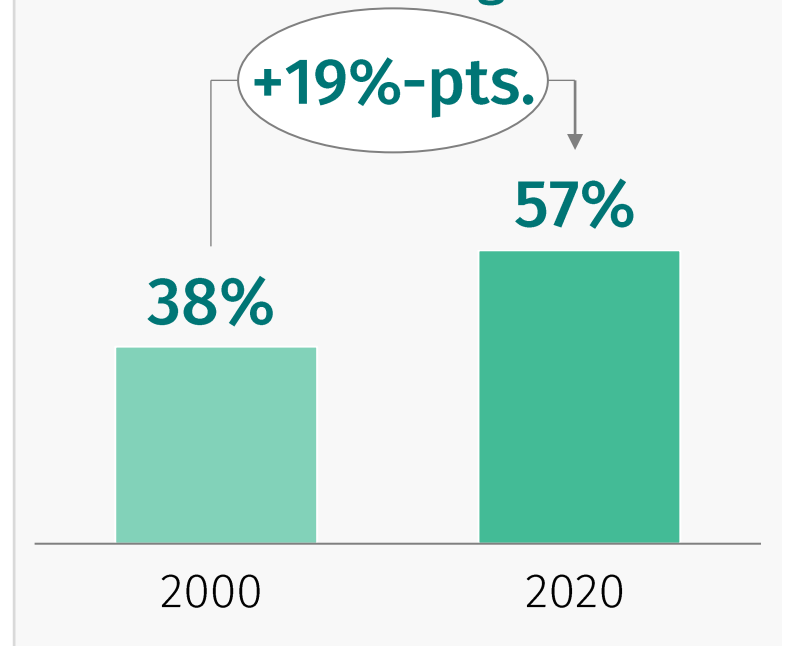


**~84%** of graduates demanding a job fitting to their lifestyle

**>1.4m** freelancers in Germany in 2020 (growing at 8-10% p.a.)

**>21%** expected annual growth rate of number of Co-working spaces worldwide

### Share of companies offering flextime working models



Source: Bundesministerium für Arbeit und Soziales; BIBB; Coworker; Destatis;

# WE BELIEVE IN A WORLD OF WORK WITH HAPPIER PEOPLE AND MORE SUCCESSFUL COMPANIES – THIS TRANSLATES INTO OUR TWO MISSIONS

## Our belief

Our Vision:  
**For a better working life**

We believe in a world of work where people can find their true self and achieve their full potential. This not only makes individuals more satisfied and happier, it also makes companies more successful.

## > Our missions

INDIVIDUALS

**Pioneering a world of work where people can do what they love and love what they do**



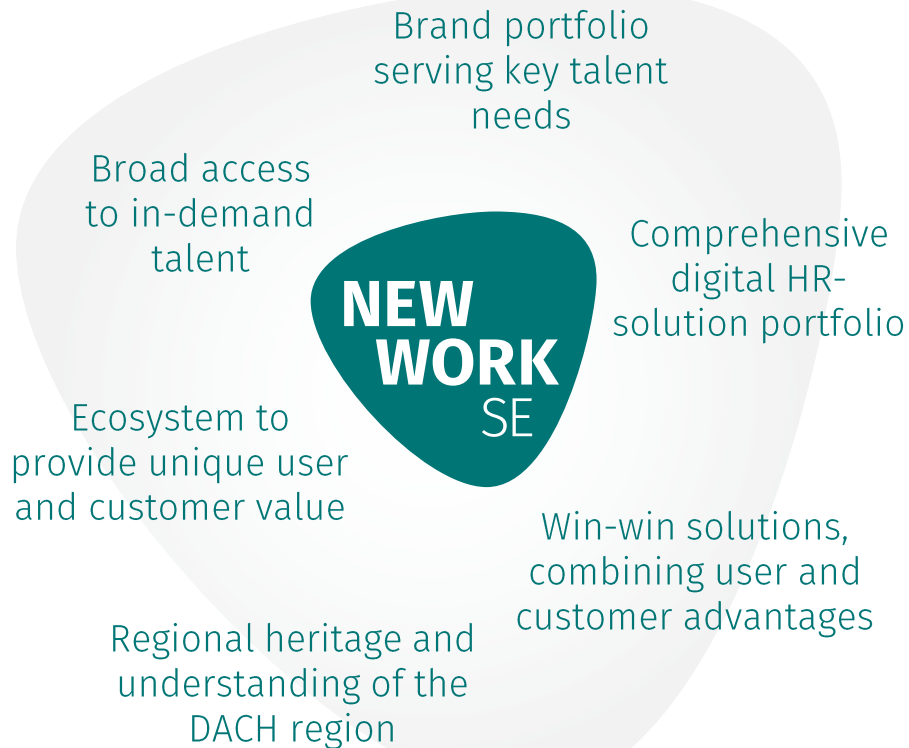
**Making companies succeed through the power of people**

HR CUSTOMERS

# TROUGH OUR BRANDS WE STRIVE TO CREATE WIN-WIN SOLUTIONS FOR BOTH USERS AND HR CUSTOMERS

## Our core value propositions

Our Vision:  
**For a better working life**

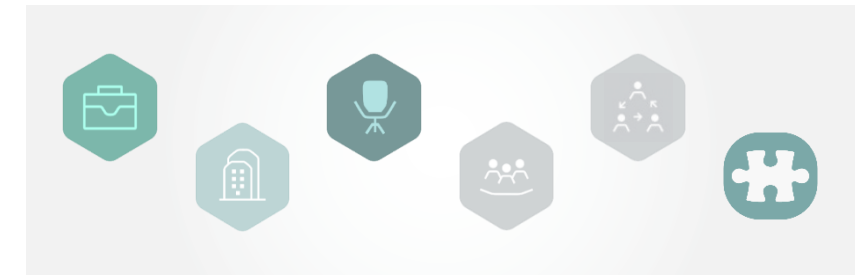


## > Our brands and solutions

### INDIVIDUALS

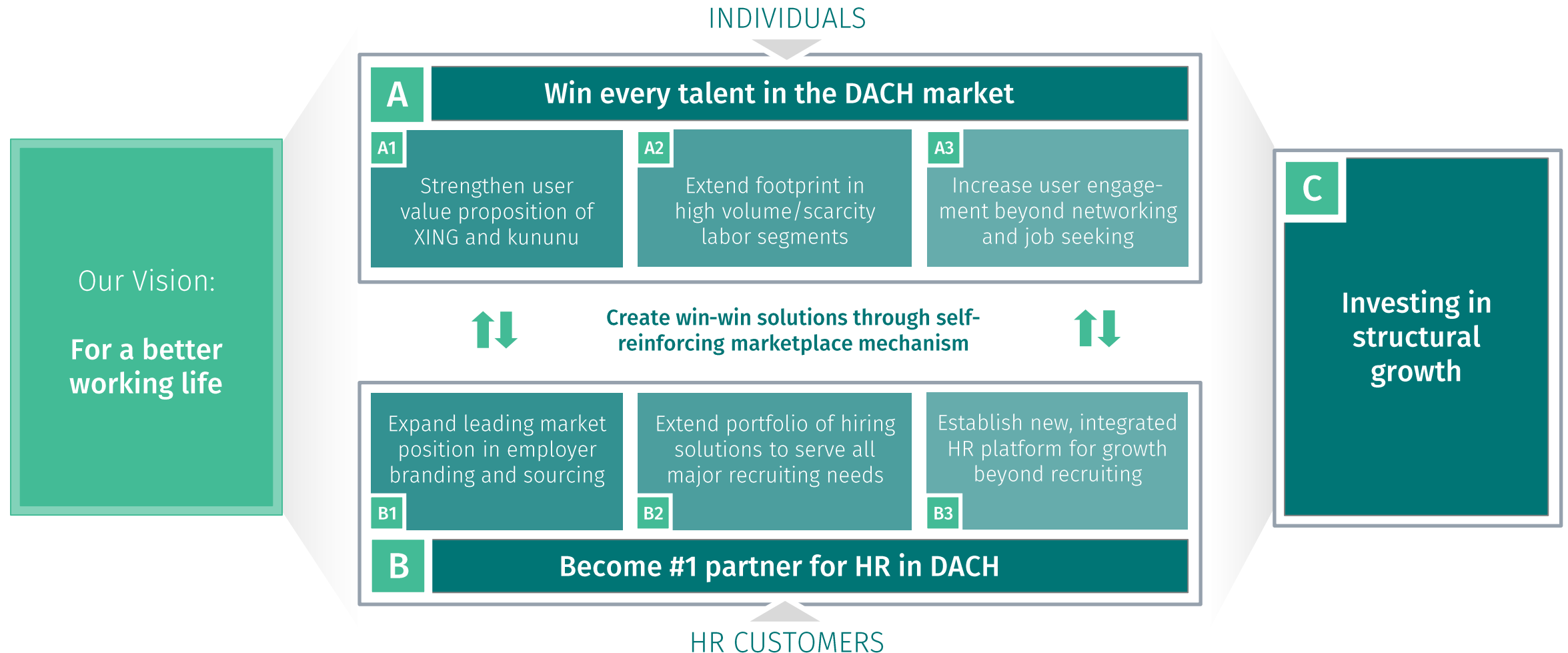


### SELF-REINFORCING MECHANISMS



### HR CUSTOMERS

# BY DELIVERING ON OUR USER AND CUSTOMER ASPIRATION NEW WORK SE WILL REMAIN TO BE AN ATTRACTIVE LONG-TERM INVESTMENT OPPORTUNITY





OUR C-SIDE  
ASPIRATION:

**WIN EVERY TALENT  
IN THE DACH MARKET**

# OUR C-SIDE AMBITION AND MISSION TRANSLATE INTO COVERING KEY TALENT NEEDS

**A**  
Win every talent in the DACH market

1 Strengthen XING/kununu

2 Extend labor segments

3 Increase user engagement

## Our C-side mission...

“Pioneering a world of work where people can do what they love and love what they do”



## Key talent needs

### Job seeking

- Looking for jobs
- Receiving job offers
- Managing applications
- ...

### Networking

- Staying in touch with business contacts
- Presenting & promoting oneself
- ...

### Information

- Staying up-to-date with the profession
- ...

### Learning

- Learning
- Getting inspired
- ...



- Relevance for talent
- Audience reach
- User engagement



Access to demanded talent for B-side monetization

# A STRUCTURAL WORKFORCE DECREASE IS DRIVING INCREASING TALENT SCARCITY

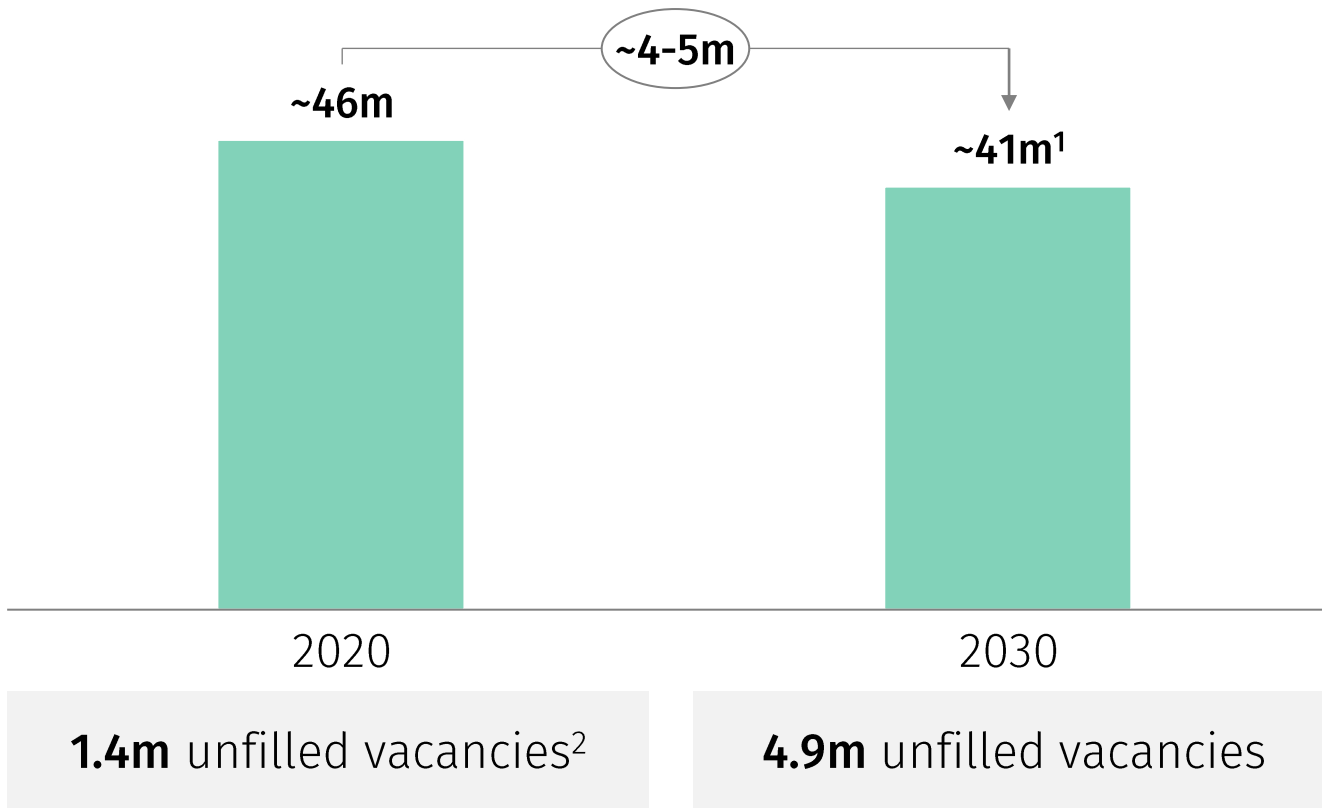
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## German workforce (#)



- **Structurally decreasing workforce** due to demographic change
- **High talent shortage today** (e.g. health, engineers, etc..)
- **Further increasing shortage in the future** – especially also of already scarce talent

Source: German Federal Labor Agency; German Federal Institute for Vocational Education and Training; IGZA, Korn Ferry  
1. Dependent on migration, employment ratio and birth rates  
2. 2019

# WE HAVE A DIFFERENTIATED PORTFOLIO OF LEADING BRANDS WITH C-SIDE FACING VALUE PROPOSITIONS

**A**  
Win every talent in the DACH market

1 Strengthen XING/kununu

2 Extend labor segments

3 Increase user engagement



"We empower people to unleash their full potential"

Largest German professional network with **>19m** members



"We empower people to choose the right place to work with workplace insights that matter"

Europe's largest employer review platform – with **>4m** unique company insights



"Developer happiness"

Leading IT-developer specialized community and job platform: **200k** talents



"We promote job flexibility by enabling fair, efficient collaboration between companies and freelancers"

Access to **450k<sup>1</sup>** freelancers in DACH



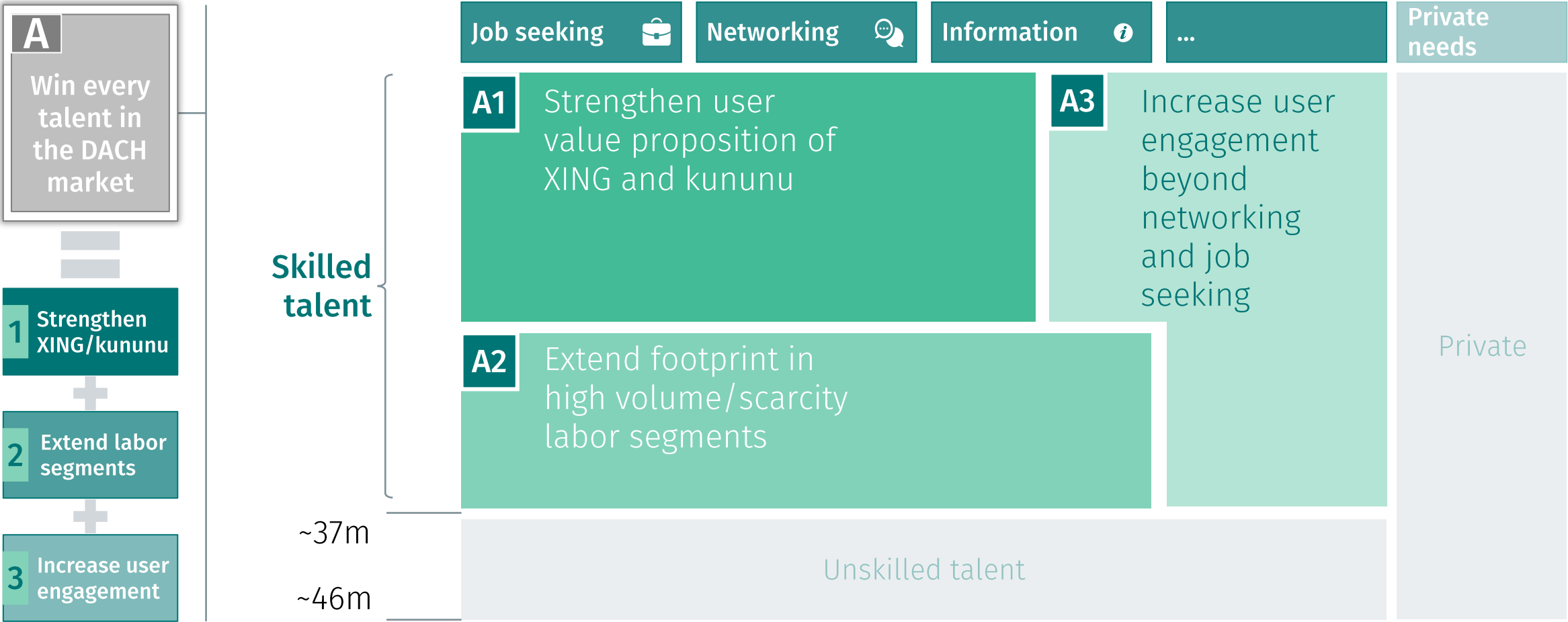
"We make expat life a great experience"

World's largest online expat network with **3.9m** members

1. Included in >19m XING users



# WE SEE SIGNIFICANT HEADROOM FOR GROWTH – BY STRENGTHENING OUR CORE, EXTENDING OUR TALENT FOOTPRINT AND BY SERVING ADJACENT NEEDS



# OUR PLATFORM XING HOLDS A LEADING POSITION IN THE SPACE OF PROFESSIONAL SOCIAL NETWORKING TODAY

**A**  
Win every talent in the DACH market

**1** Strengthen XING/kununu

**2** Extend labor segments

**3** Increase user engagement

**XING** 



Large user base: **~19m**;  
strong user growth: **~2m** annually



**25k** online groups; **>13k** local offline events per month (Ø2019)



**400** insider; **800** local publishers;  
**5m** subscriber of curated newsletters



**95%** of Top 200 DACH companies present with jobs; **20k** active recruiters on platform

# XING'S RE-LAUNCH WILL COME WITH A DIFFERENTIATED, AUTHENTIC NETWORKING APPROACH WHILE LEVERAGING EXISTING STRENGTHS



# KUNUNU IS TAKING A STRONGHOLD POSITION FOR JOB SEEKERS – FUELED BY HIGH USER ENGAGEMENT AND USER GENERATED CONTENT

**A**  
Win every talent in the DACH market

**1** Strengthen XING/kununu

**2** Extend labor segments

**3** Increase user engagement

**kununu** 



**240k** company profiles with insights



**3.7m** user-generated company reviews

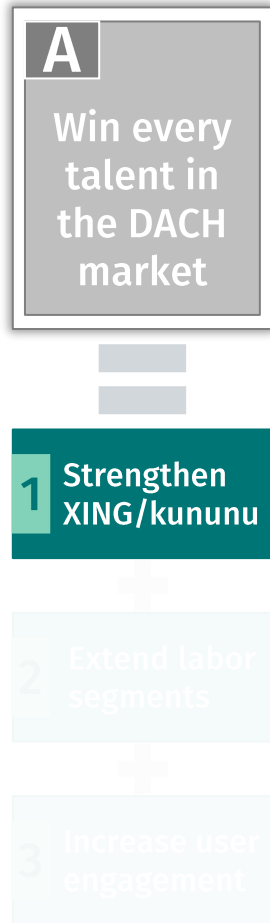


**1.1m** user-generated salary insights

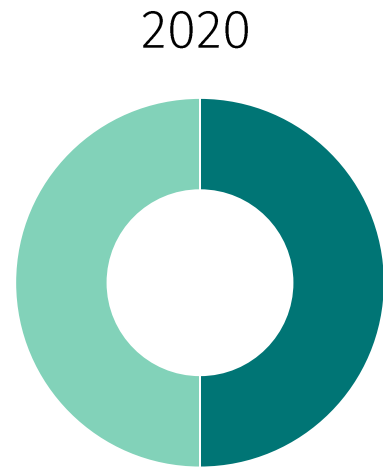


**240k** user-generated culture assessments

# KUNUNU'S ASPIRATION IS TO SERVE EVERY JOB SEEKER IN DACH



## Market penetration among job seekers

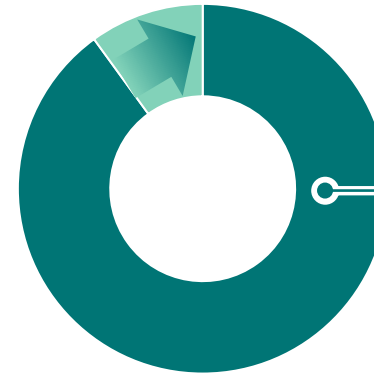


Every second job seeker<sup>1</sup>

~36m users<sup>2</sup>



Future ambition



Every job seeker

### Sources of growth

Providing more varied and relevant insights to job seekers and job holders

Branding strategy to drive awareness and trustworthiness

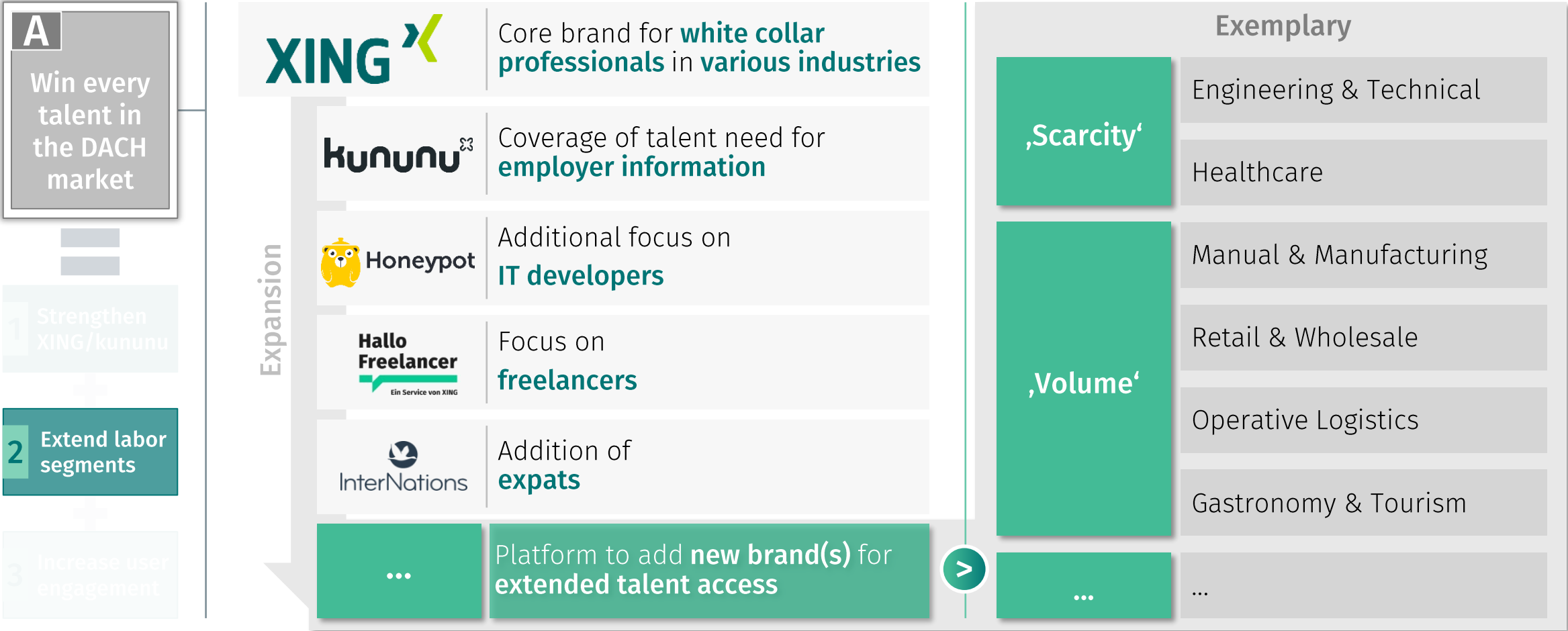
Additional target talent groups within skilled labor

1. Based on assumption: bitkom Study (2018) states that every second (45%) employed internet user uses employee review platforms  
2. Users in DACH as tracked by Google Analytics

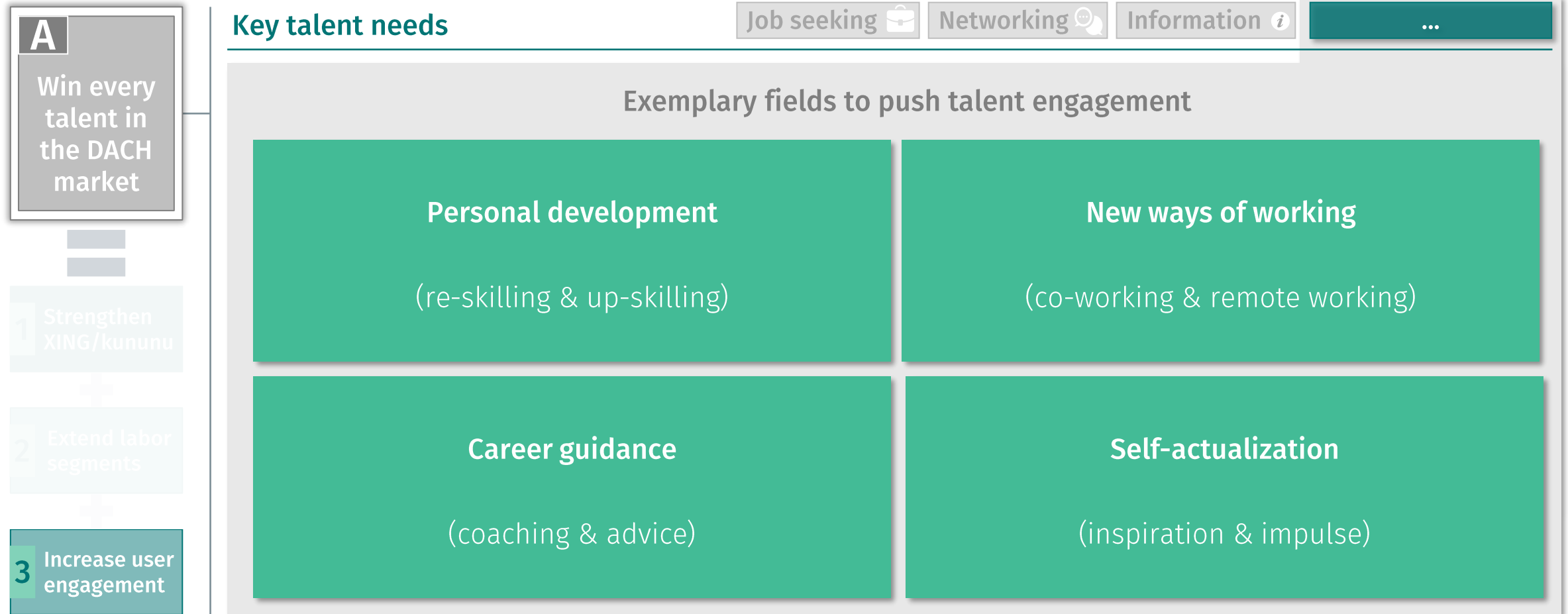
# MUTUALLY REINFORCING MECHANISMS BETWEEN XING AND KUNUNU ENABLE UNIQUE VALUE CREATION FOR JOB SEEKERS



# COMBINING THE BRAND PORTFOLIO CREATES A PLATFORM FOR EXPANSION AND REALIZES SYNERGETIC BENEFITS BETWEEN BRANDS

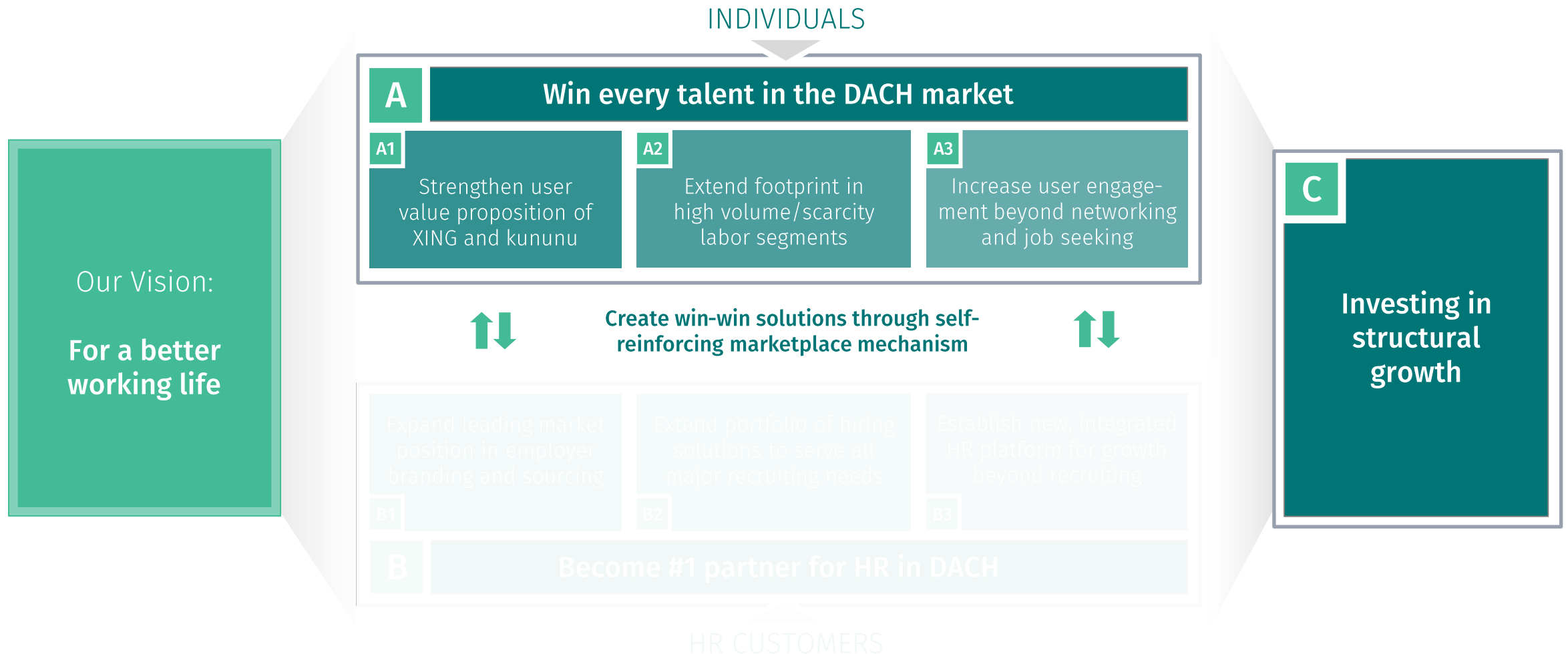


# WE LOOK AT SEVERAL PATHS WITH POTENTIAL TO INCREASE USER ENGAGEMENT BEYOND USE CASES WE CATER TO TODAY





# RECAP: WE AIM TO WIN THE MARKET FOR TALENT IN DACH THROUGH A STRONG CORE BUSINESS, NEW SEGMENTS, AND INCREASED USER ENGAGEMENT





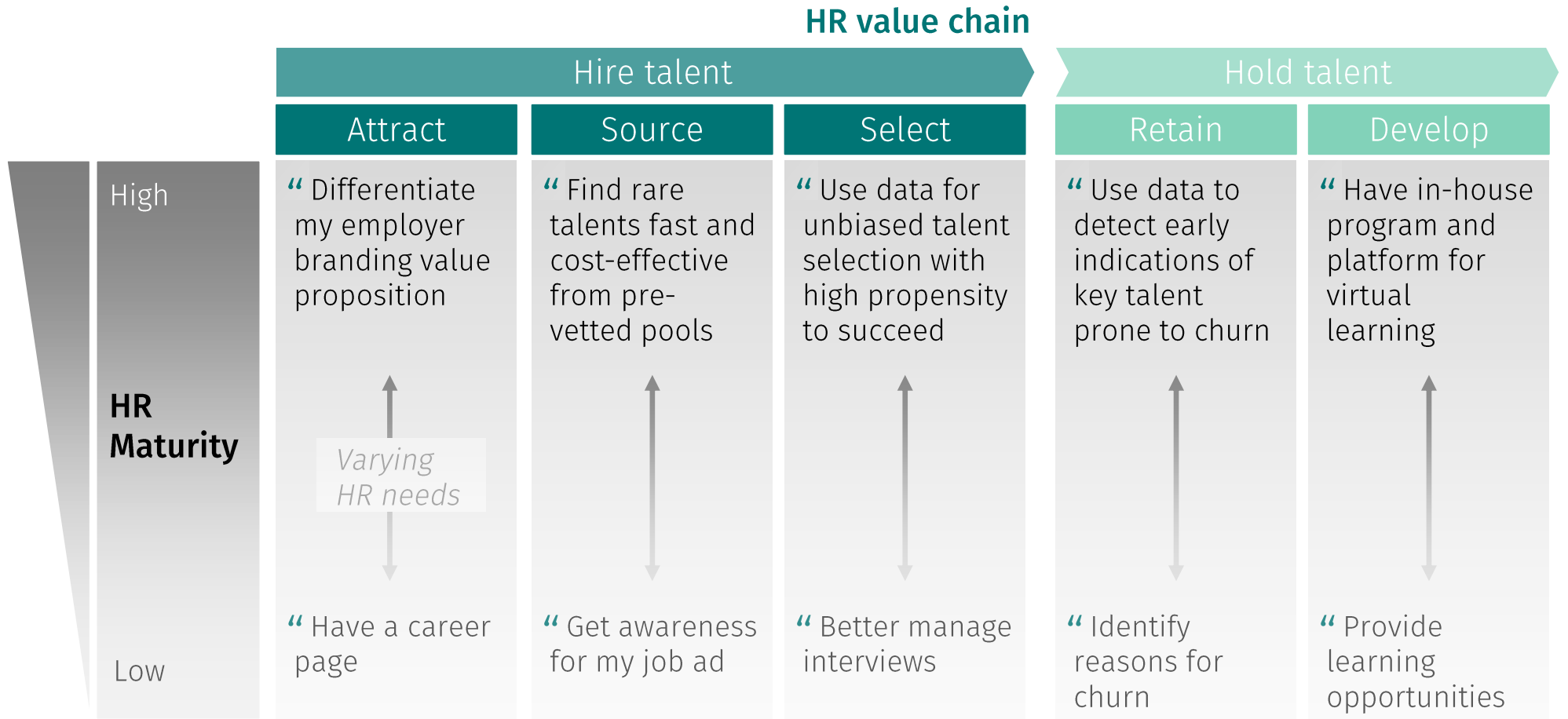
OUR B-SIDE  
ASPIRATION:

**BECOME #1 PARTNER  
FOR HR IN DACH**

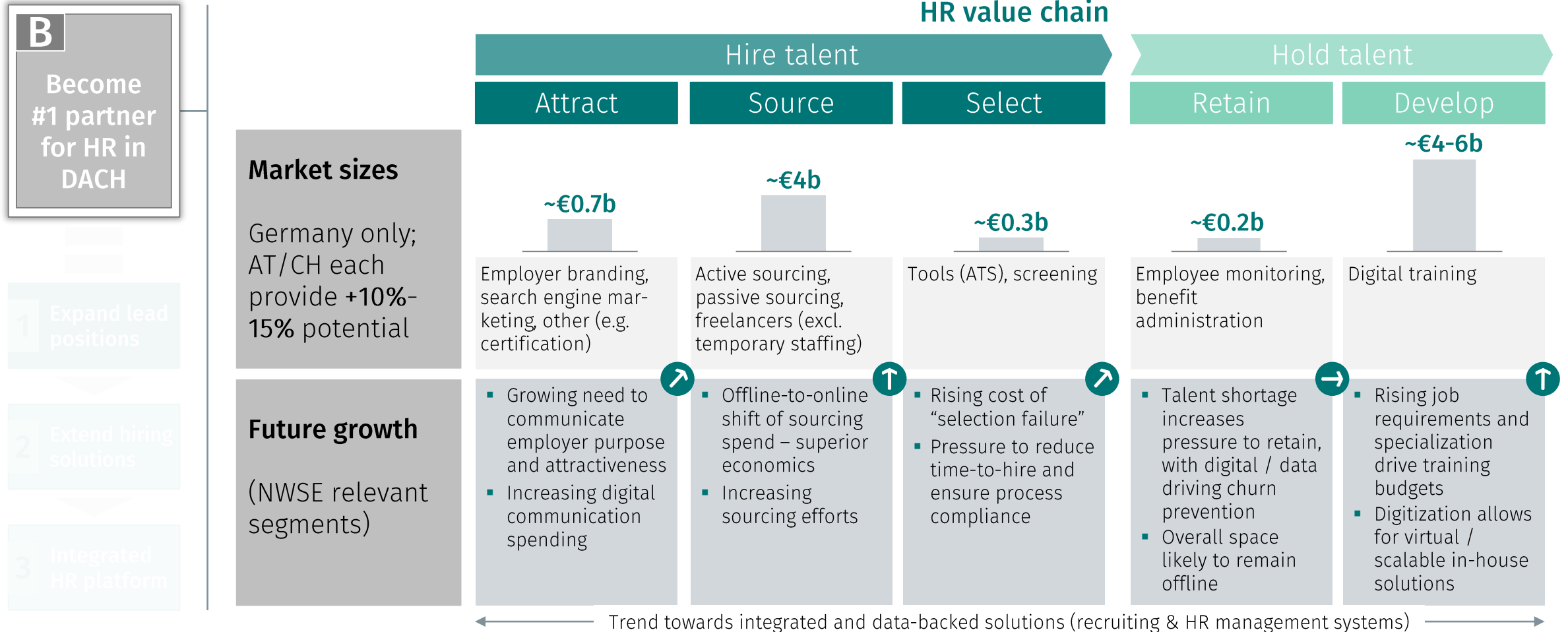
# IN ORDER TO BECOME #1 PARTNER FOR HR IN DACH, WE NEED TO SOLVE PRESSING HR PROBLEMS

**B**  
**Become #1 partner for HR in DACH**

- 1 Expand lead positions
- 2 Extend hiring solutions
- 3 Integrated HR platform



# OUR MARKET POTENTIAL IS SUBSTANTIAL AND GROWING – IN PARTICULAR DRIVEN BY DIGITAL DISRUPTION IN OUR FAVOR



Source: Market model (German Federal Statistical Office, German Federal Labor Agency, Institute of Economics and other market studies and reports)

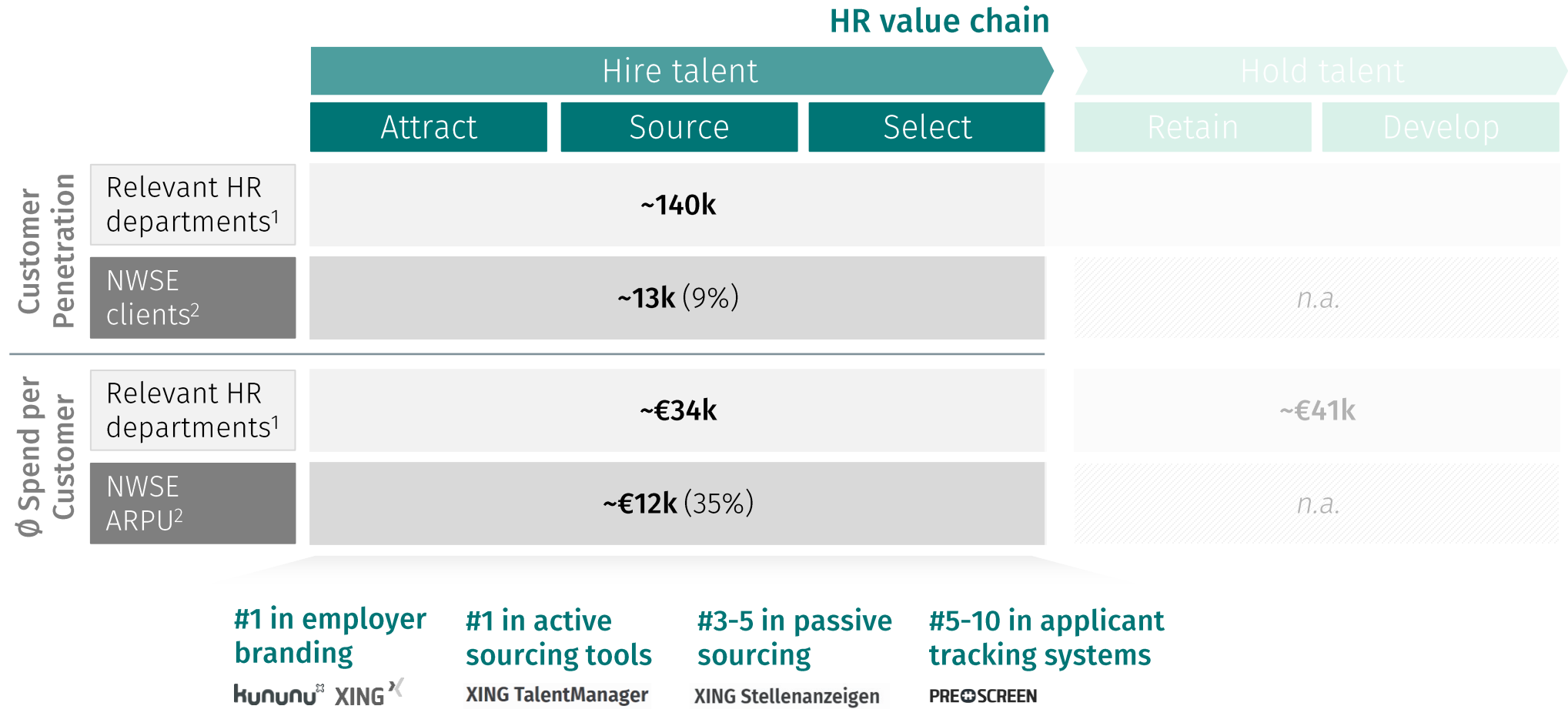
# OUR LEADING BRANDS HAVE AMPLE GROWTH HEADROOM IN BOTH CUSTOMER PENETRATION AND SHARE OF WALLET

**B**  
Become #1 partner for HR in DACH

1 Expand lead positions

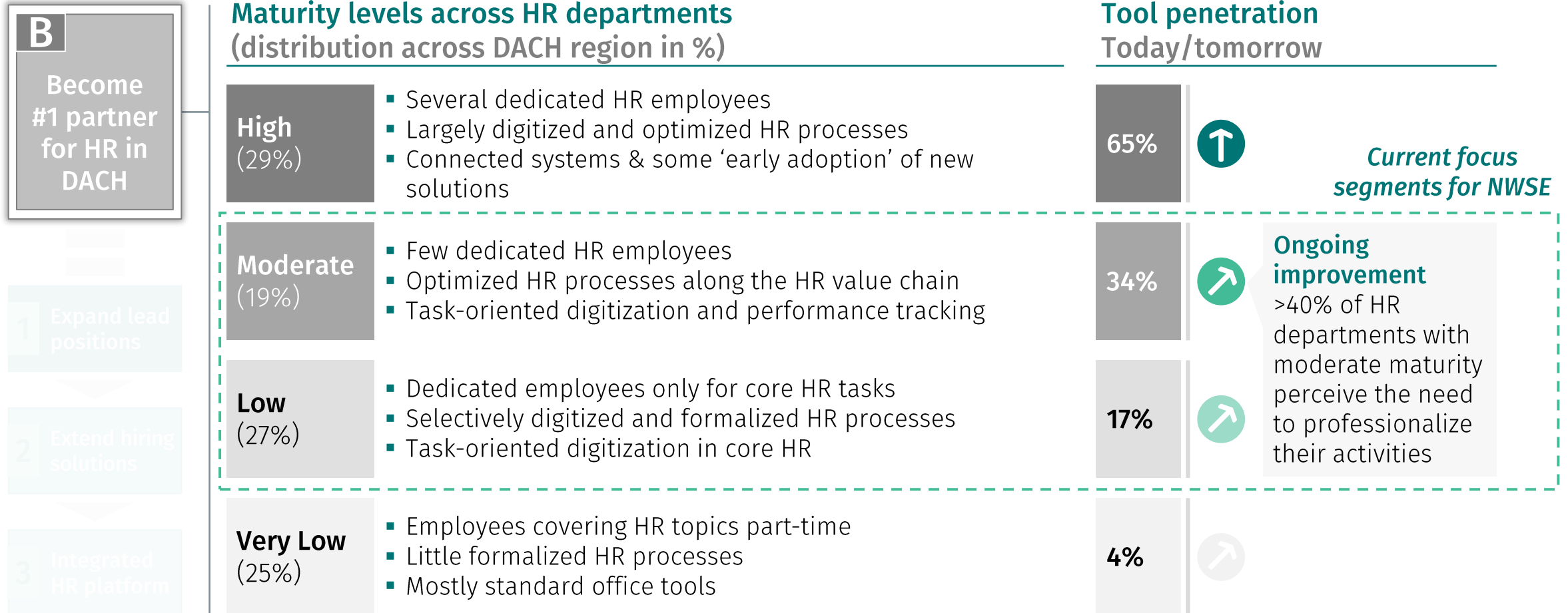
2 Extend hiring solutions

3 Integrated HR platform



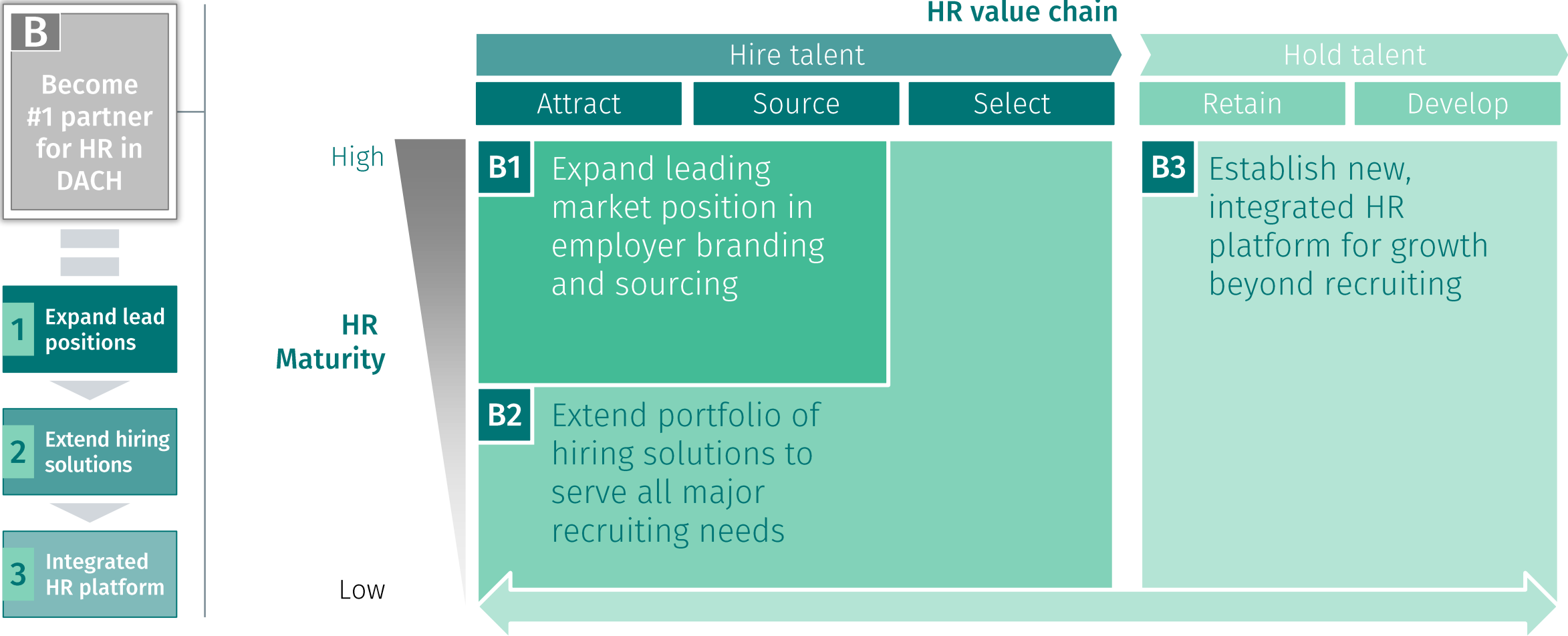
1. Defined as German companies with 10+ employees using digital recruiting tools (Germany only)  
2. New Work SE B2B E-Recruiting subscription clients (DACH total)

# HR DEPARTMENTS PROFESSIONALIZE – THE HIGHER THE DIGITALIZATION IN RECRUITING TODAY, THE HIGHER THE FUTURE APPETITE FOR MORE



Source: HuM Study (internal)

# TO BECOME #1 PARTNER FOR HR, WE WILL CONTINUOUSLY EXPLOIT, EXTEND, AND INTEGRATE OUR HR SOLUTION PORTFOLIO



# XING TALENT MANAGER YIELDS A STRONG VALUE PROPOSITION FOR TALENT SOURCING, COMING AT SUPERIOR PRODUCT ECONOMICS FOR HR CUSTOMERS

**B**  
Become #1 partner for HR in DACH

**1** Expand lead positions

**2** Extend hiring solutions

**3** Integrated HR platform

## Main talent sourcing value propositions

**Headhunting**

- + High likelihood to fill the vacant position with a qualified candidate
- High commissions on p.a. salary (25% on average)<sup>1</sup>

**Active Sourcing Tools**

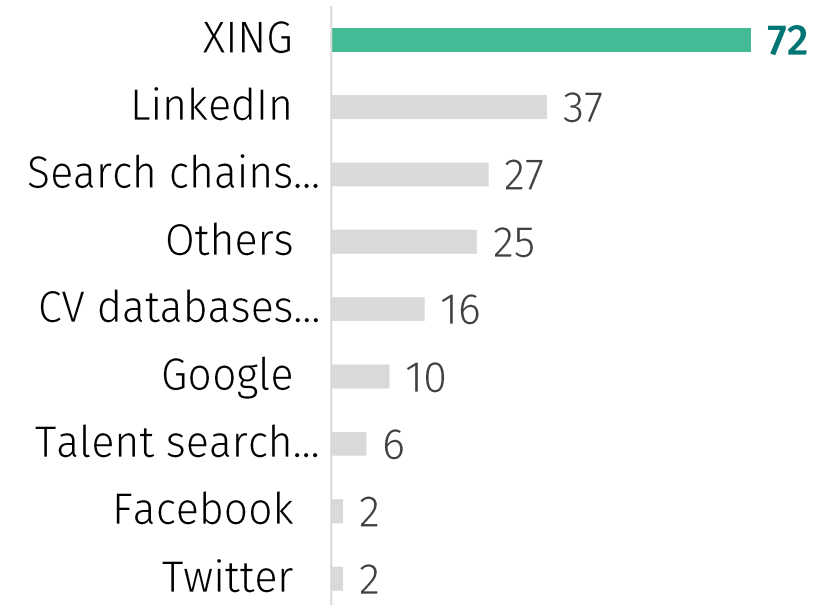
- + Cheaper than headhunting, more effective than passive sourcing
- Dedicated active sourcing-resource required in customer's HR team

**Passive Sourcing**

- + Talent-sourcing proposition with lowest overall price hurdle
- No guarantee for success and little confidence on time-to-hire

**XING** XING TalentManager  
Instant access to ~19m members at an annual list price of €4.000

## The leading candidate search tool (in %)<sup>2</sup>

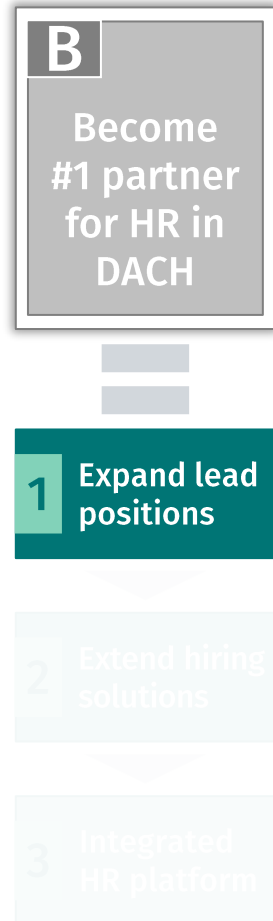


1. BDU

2. "What search options and tools do active sourcers use to start their search activities?" (ICR Study 2020)



# WE ARE WELL EQUIPPED WITH STRUCTURAL ADVANTAGES TO CONTINUE CAPTURING THE MARKET POTENTIAL FOR EMPLOYER BRANDING IN DACH

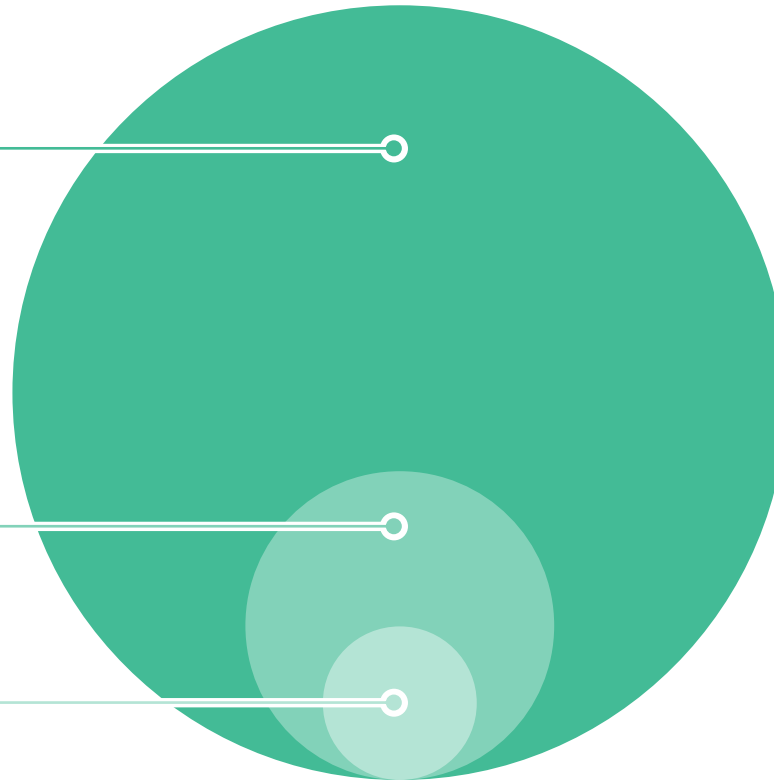


## Market potential for employer branding

~260k employer brands in total in DACH<sup>1</sup>

~27k managed company profiles on kununu

~7k paying customers for employer branding



Already today **#1 market position** with a total of ~36m users visiting kununu in 2020<sup>2</sup>

**Strong untapped market potential** with ~260k addressable employer brands in total

**Unique data and insights** creating additional user and customer value, e.g. culture

1. Defined as companies in DACH region with 10+ employees

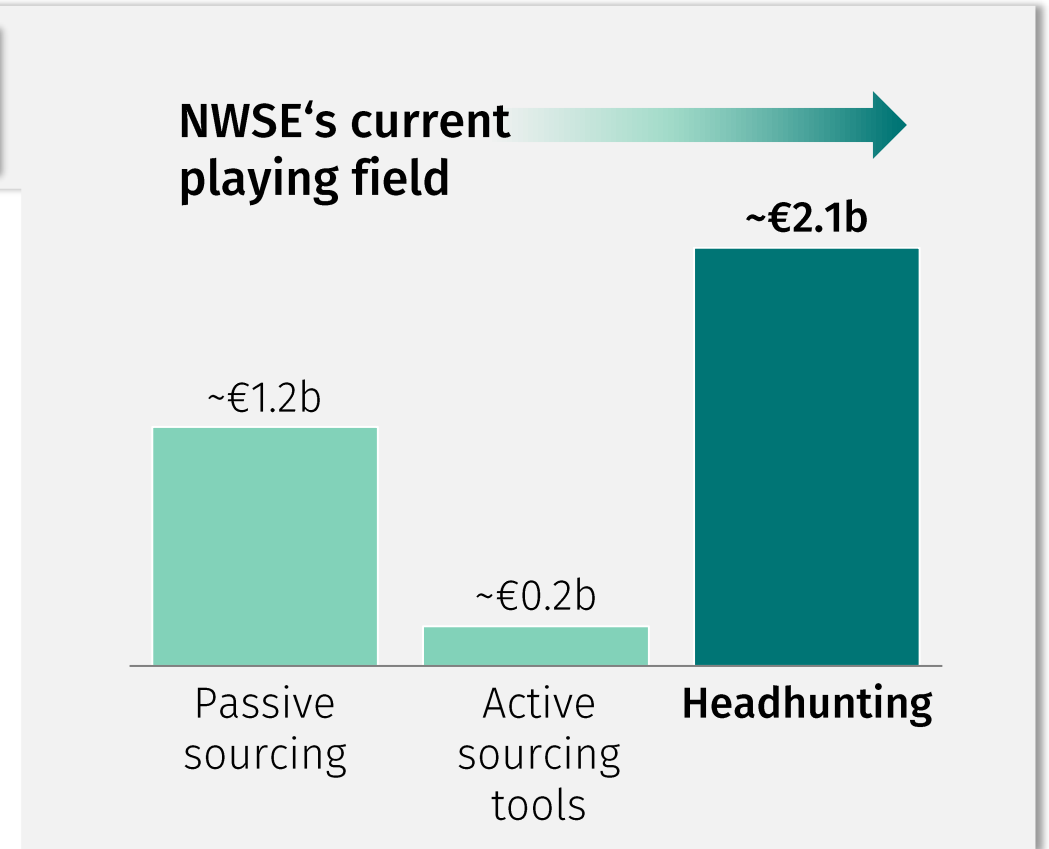
2. Users in DACH as tracked by Google Analytics

# BY EXPANDING INTO SERVICED SOURCING WE ARE TAPPING INTO >€2BN HEADHUNTING MARKET IN DACH



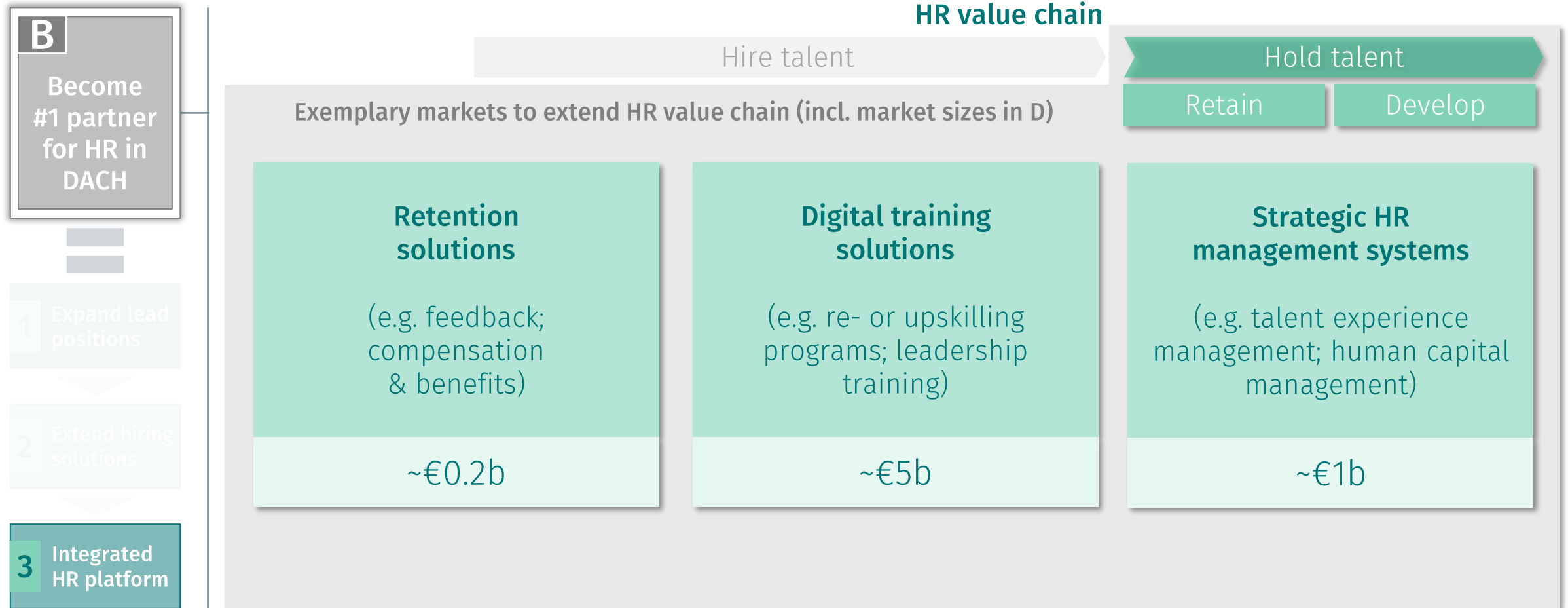
## Exmpl. expansion segments & market potential

<b>Serviced Sourcing</b>	~€2.1b
Candidate relationship management systems	~€1b
Programmatic recruiting solutions	~€1b
Candidate assessment solutions	~€0.2b
...	...



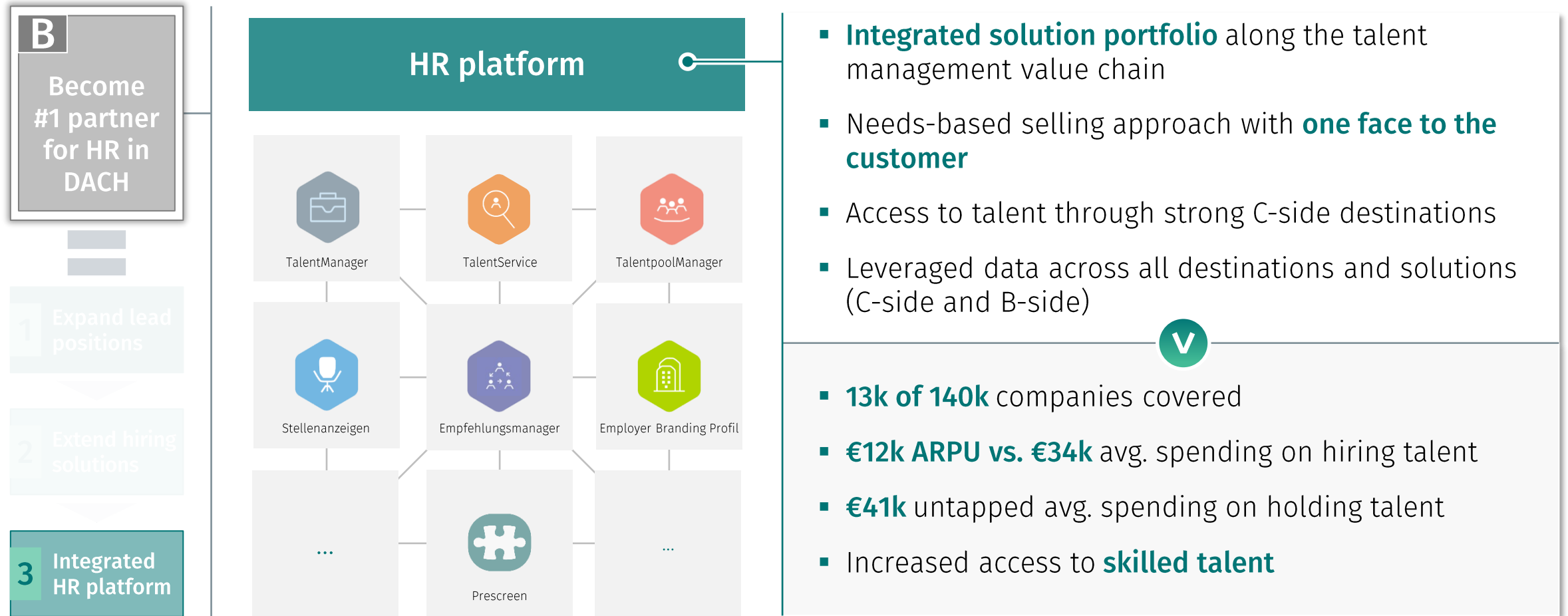
Source: BCG, McKinsey, Market model (German Federal Statistical Office, German Federal Labor Agency, Institute of Economics and other market studies and reports)

# THE DOUBLE-SIDED BUSINESS MODEL AND CAPABILITY SET PROVIDES US WITH RIGHT TO PLAY IN SIZEABLE EXPANSION AREAS

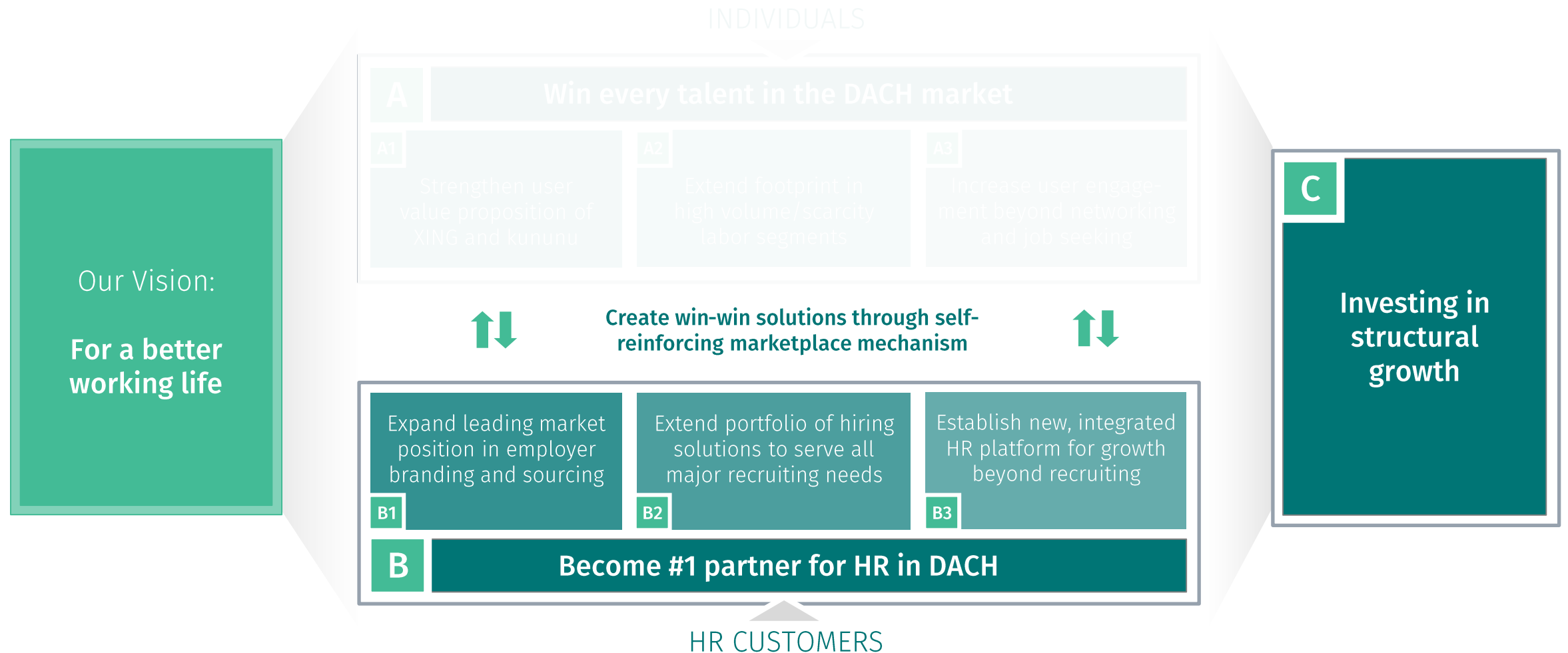


Source: BCG, McKinsey, Market model (German Federal Statistical Office, German Federal Labor Agency, Institute of Economics and other market studies and reports)

# JOINING OUR B-SIDE PROPOSITIONS ON AN HR PLATFORM PROVIDES TANGIBLE VALUE ADD



# RECAP: WE AIM TO BECOME #1 HR PARTNER BY EXPANDING MARKET LEAD, EXTENDED AND INTEGRATED SOLUTIONS AND GROWTH BEYOND RECRUITING





FINANCIAL  
ASPIRATION:

**INVESTING IN  
STRUCTURAL  
GROWTH**

# INVESTMENT HIGHLIGHTS: WE ARE A STRUCTURAL GROWTH OPPORTUNITY WITH A STRONG MARKET POSITION AND A STRONG FINANCIAL MODEL

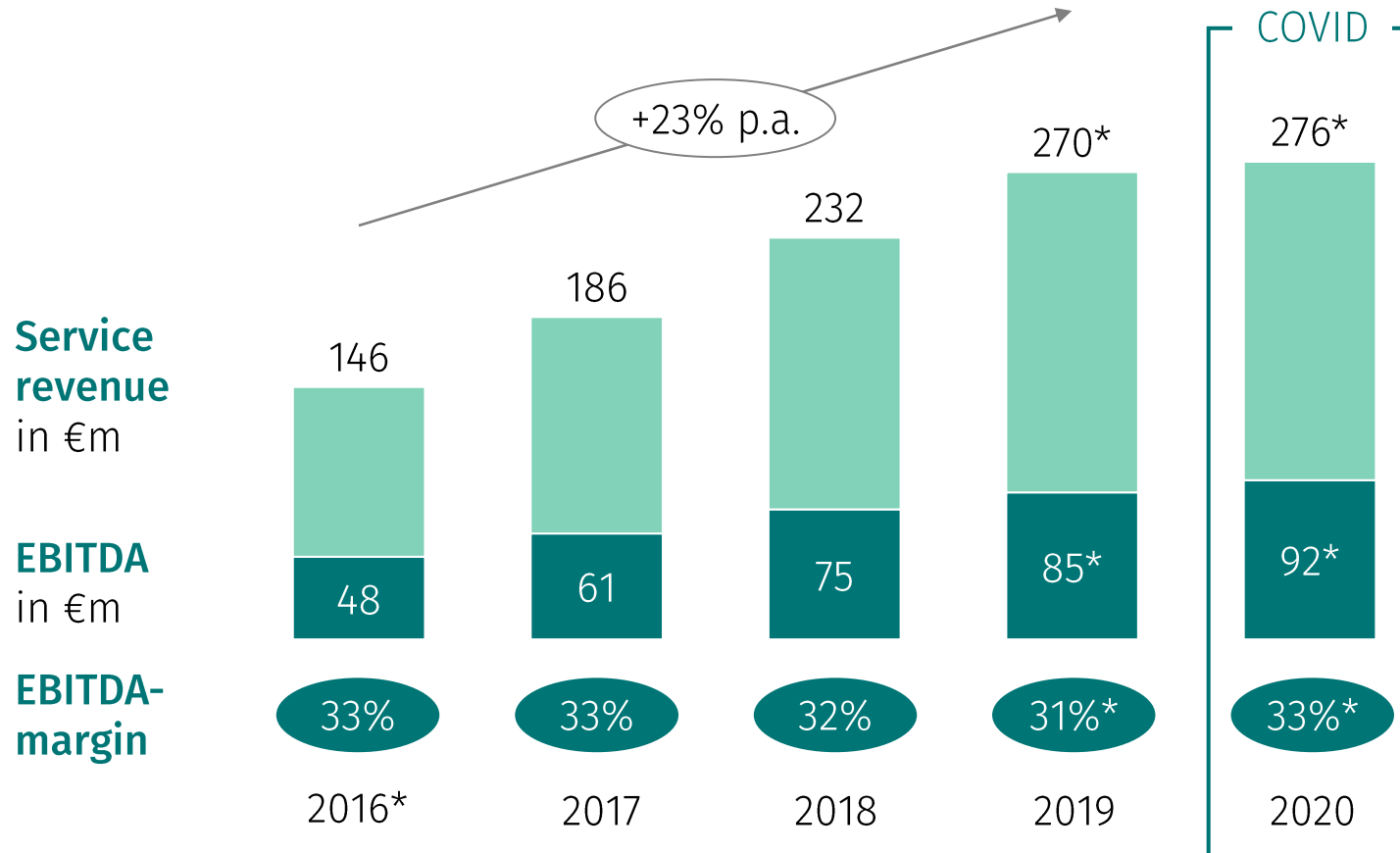
1 Strong financial model and value creation

2 Strong megatrends driving demand for our solutions both on C- and B-Side

3 Unique right-to-play from strong C-side position and strong runway for further growth and value creation

4 Our aspiration Post-COVID: double-digit top line growth

# PRE-COVID: DOUBLE-DIGIT TOP LINE GROWTH AND 30% EBITDA-MARGIN IN INVESTMENT MODE



## Commentary

- 30% margin in investment mode
- Past growth stopped by COVID due to sensitivity of e-recruiting to macro uncertainty
- Resilience of the business model to shocks (e.g. thanks to subscription model constituting ~80% of revenues)



# FINANCIAL MODEL WITH STRONG CASH CONVERSION

	2016	2019	CAGR, 2016-19	2020
<b>Service revenues</b>	146	270	~23%	277
Net Expenses*	(98)	(182)		(189)
<b>Reported EBITDA</b>	48	88	~22%	88
Interest, taxes & other	(7)	(13)		(13)
Change in net working capital	9	5		6
<b>Operating cash flow</b>	50	80	~17%	81
Capital expenditures	(25)	(41)		(39)
<b>Recurring free cash –flow**</b>	25	39	~15%	42

2016 before IFRS 15 /16

\* Other operating income & expenses; personnel & marketing expenses; capitalized software

\*\* Definition: FCF = Operating CF – CAPEX (ex M&A & dividend) – lease payments (only in 2019 and 2020)

# STRONG MEGATRENDS CAUSE INCREASING IMBALANCE OF THE LABOR MARKET AND DRIVE DEMAND FOR OUR SOLUTIONS ON BOTH THE C- AND THE B-SIDE



# UNIQUE RIGHT-TO-PLAY AND STRONG RUNWAY FOR FURTHER GROWTH AS WELL AS VALUE CREATION

## Unique advantage from #1 destinations & marketplace

## Ample headroom for growth on B- & C-Side

INDIVIDUALS

C-side:  
Leading talent destinations



SELF-REINFORCING  
MECHANISMS



B-side:  
Strong HR solutions along the HR value chain

HR CUSTOMERS

19m  
XING users<sup>1</sup>

VS.

37m  
skilled talent<sup>1</sup>

~13k  
NWSE clients<sup>2</sup>

VS.

~140k   
'digital' HR  
departments<sup>2</sup>

~€12k  
NWSE-ARPU<sup>2</sup>

VS.

~€34k  
ø spending for  
hiring<sup>2</sup>

1. 37m skilled talent in Germany, 19m XING users DACH total

2. 'digital' HR departments and ø spending for hiring in Germany, NWSE clients and -ARPU DACH total

# OUR ASPIRATION IS TO RETURN TO DOUBLE-DIGIT GROWTH POST-COVID

	Pre-COVID	COVID	Post-COVID aspiration
Revenue development	Annual double-digit growth	Stable revenues	Annual double-digit growth
EBITDA margin	>30%	>30%	≥30%

## Capital allocation geared towards value creation

- Profitable growth
- M&A
- Regular dividends



# Q&A



THANK YOU

XING<sup>x</sup>

XING<sup>x</sup>  
E-Recruiting

XING<sup>x</sup>  
Events


XING<sup>x</sup>  
Marketing  
Solutions

Hallo  
Freelancer  
Ein Service von XING

InterNations  
connecting global minds

hunu<sup>u</sup>

PRESCREEN

 Honeypot