



**NEW  
WORK  
SE**

Q1 2020

Results Presentation

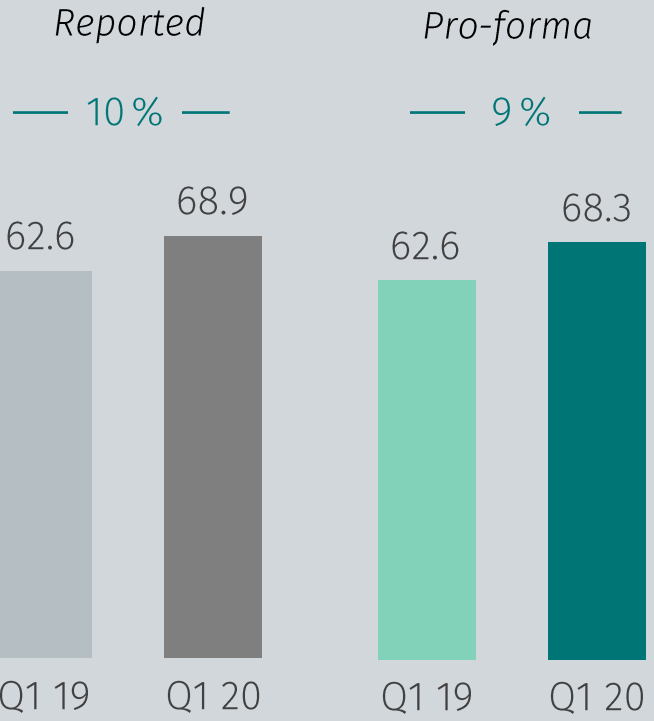
HAMBURG, 7 MAY 2020

## EXECUTIVE SUMMARY Q1 2020

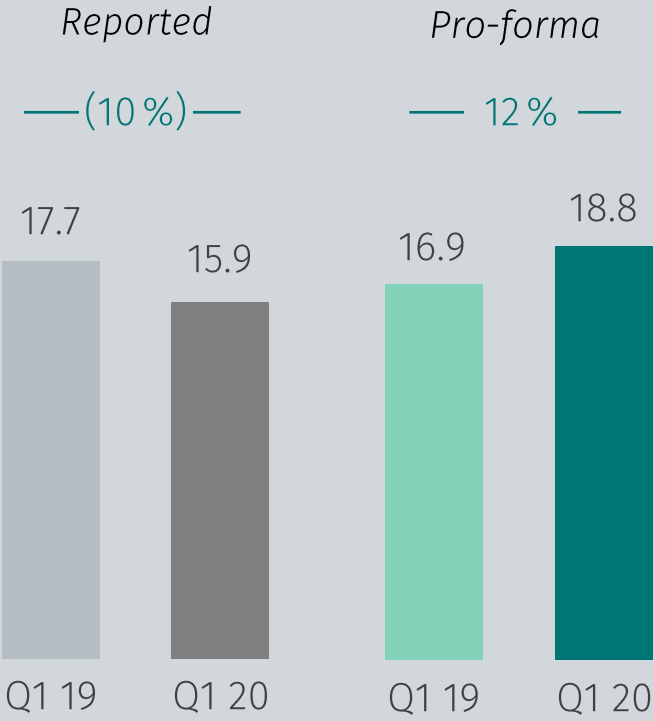
- Like-for-like revenues & EBITDA continue to grow, however COVID-19 impacts from March onwards
- B2C proving stable
- Our B2B E-Recruiting business is growing, but is less robust than B2C
- Our long-term (post-COVID-19) outlook is unchanged
- Meanwhile (during the COVID-19 crisis), we continue to build our value proposition and strengthen our customer relationships

# LIKE-FOR-LIKE REVENUES & EBITDA CONTINUE TO GROW STRONGLY, HOWEVER COVID-19 IMPACTS FROM MARCH ONWARDS

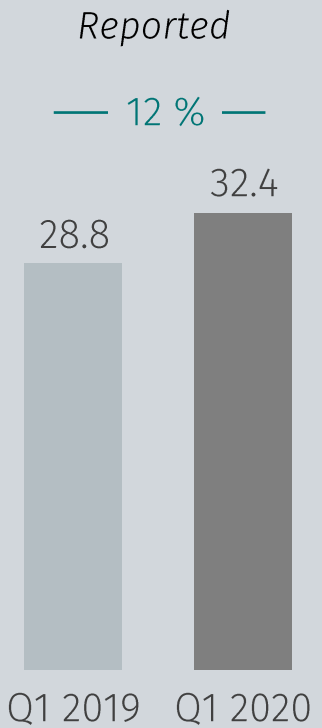
Service Revenues  
in €m



EBITDA  
in €m



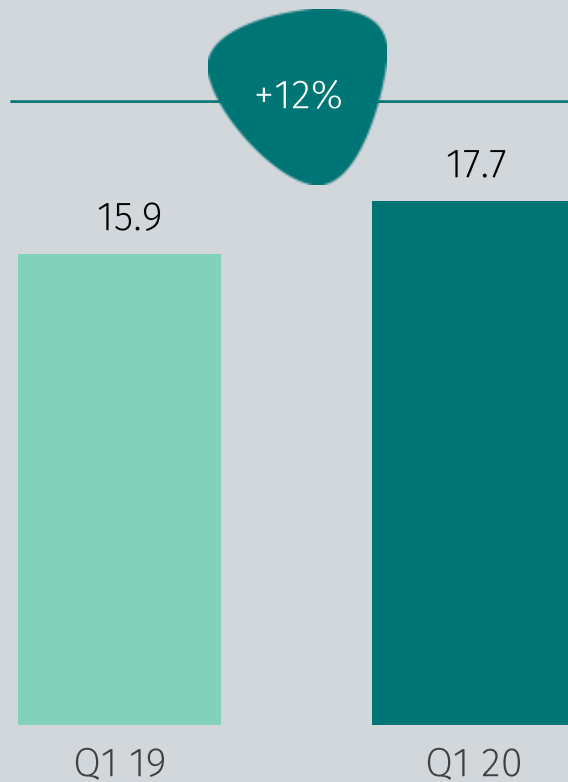
Operating Cash Flow  
in €m



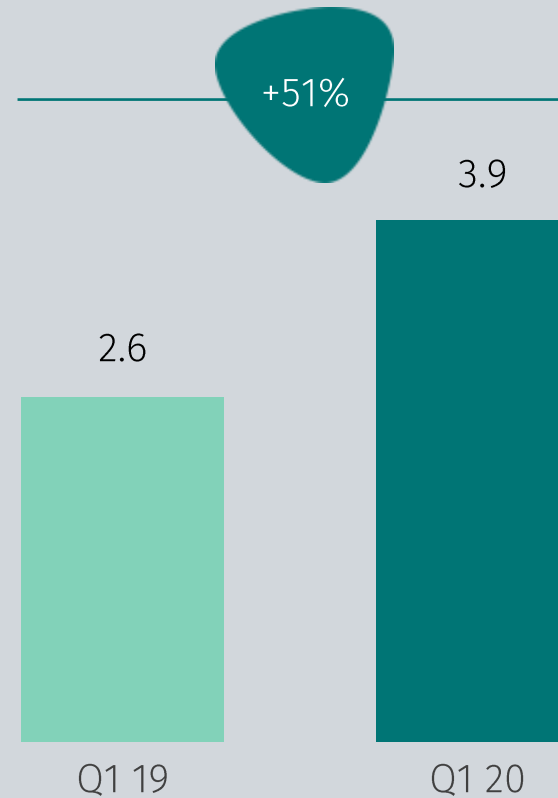
# OUR C-SIDE BUSINESS CONTINUES TO GROW NICELY

Member base  
in 000s

XING

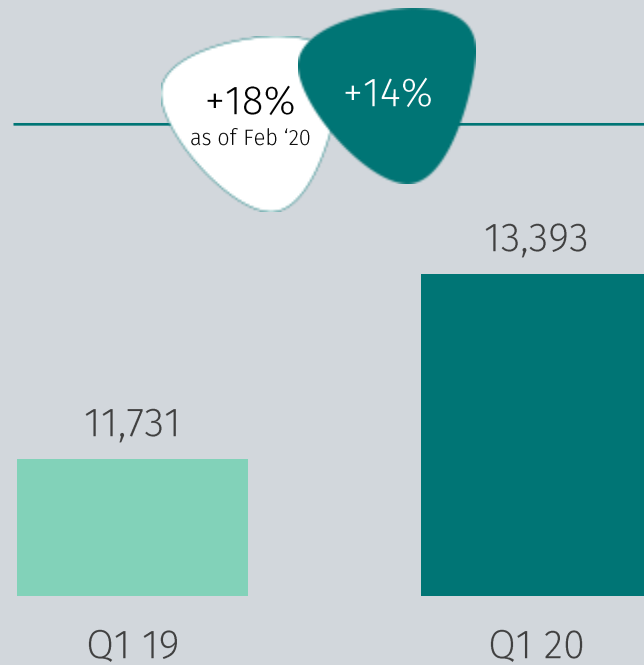


Workplace Insights **KUNUNU**<sup>®</sup>  
in 000s\*

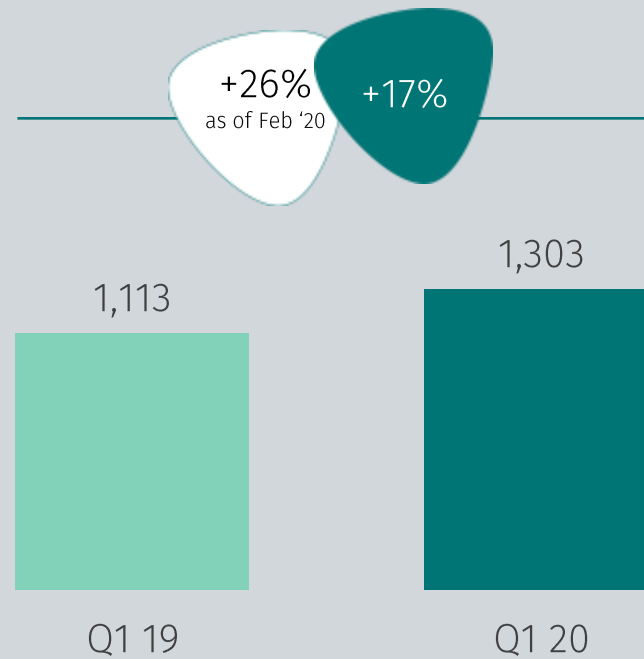


# OUR B2B BUSINESS IS GROWING, BUT IS IMPACTED BY COVID-19

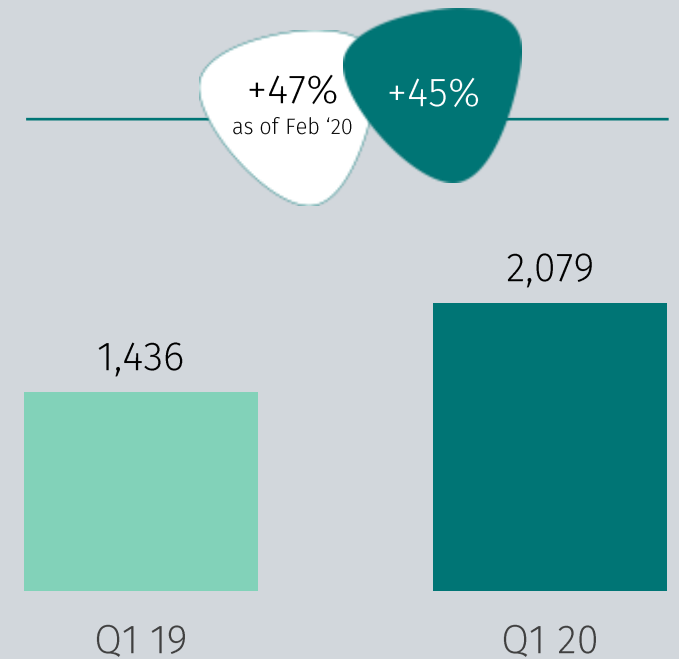
B2B customers (subscription)\* **XING**  
E-Recruiting



Customers **PRESCREEN**



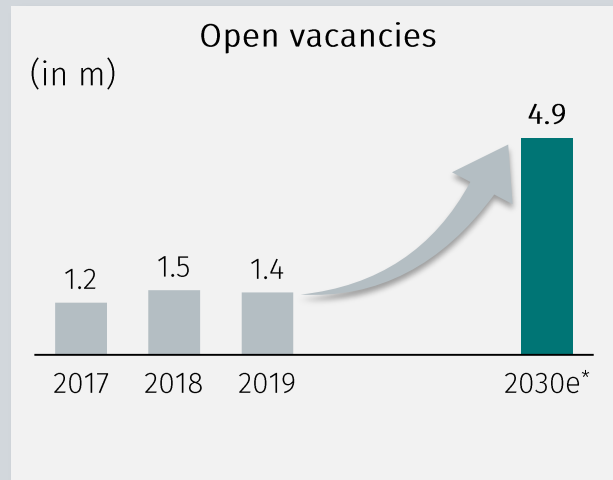
Customers **Honeypot**



\* Excl. Prescreen and Honeypot

# LONG TERM OUTLOOK UNCHANGED – DEMOGRAPHICS WILL CONTINUE TO TIGHTEN GERMAN LABOUR MARKET

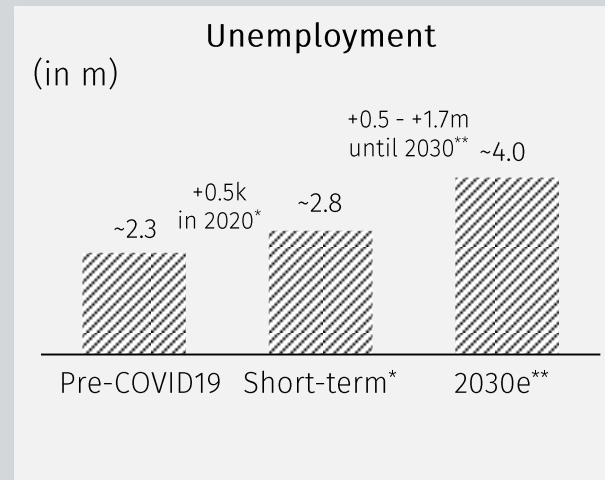
## PRE-COVID-19 ASSUMPTIONS



\* IAB; Open vacancies estimation 2030 by Korn Ferry

Strong increase in open vacancies expected, resulting in greater demand for employees

## EXPECTED COVID-19 EFFECT

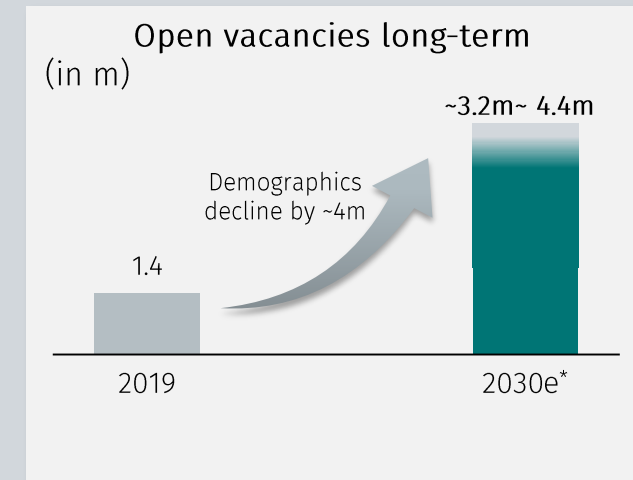


\* IAB on development of unemployment rates in 2020

\*\* Management assumption for worst case scenario

COVID-19 is causing an economic dip and increasing unemployment rates

## POST-COVID-19 ASSUMPTIONS



\* Management assumption

Impact of COVID-19 expected to be overcompensated by demographics

WITH STRONG C-SIDE ACCESS IN D-A-CH WE REMAIN IN UNIQUE POSITION TO OFFER OUR LEADING RECRUITING SOLUTIONS POST-COVID-19



#1

in C-Side access (www.XING.com)

in employer branding (kununu)

in active recruiting (XTM)

in tech talent access in Europe (Honeypot)

in expat access / worldwide (InterNations)

# MEANWHILE WE CONTINUE TO BUILD OUR VALUE PROPOSITION AND STRENGTHEN OUR CUSTOMER RELATIONSHIPS WITH NEW PREMIUM OFFERING

## EXAMPLES OF NEW VALUE



An exclusive self-assessment test with our partner LINC



Access to educational videos from partners



New exclusive content with Harvard Business Manager



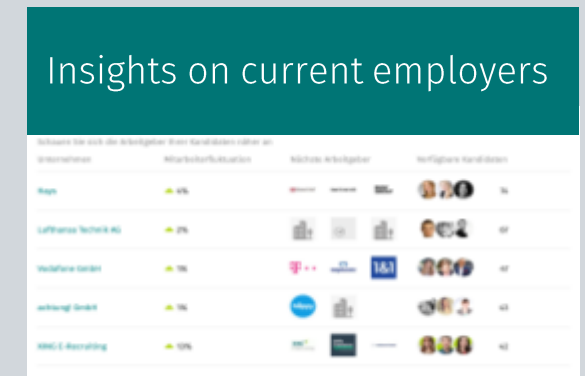
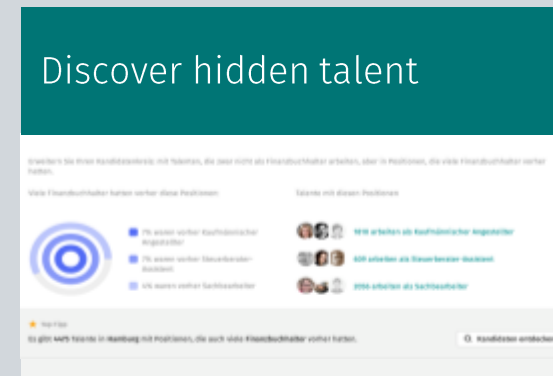
# FURTHERMORE WE IMPROVED OUR B2B OFFERING BY LAUNCHING THE EMPLOYER SEAL WITH HHL LEIPZIG AND IMPROVED THE XTM

XING & HHL  
employer seal



- New Work Employer Seal rewards companies that create employee-centric work environments
- Measurable facets of New Work scientifically developed between HHL & New Work SE
- Employee as well as employer reviews are taken into account and have to pass the academic analysis

XTM with new “Talent Radar”  
& “Current Employer” Modules



- „Hidden talent“ recommendations for recruiters based on new screening algorithm
- More candidate „insights“ for recruiters
- Recruiters receive insights into employer fluctuation and employee movements

# WE ACTIVELY STRENGTHEN CUSTOMER RELATIONSHIPS DURING THE COVID-19 SITUATION

## B2C

400 experts publish content on XING News to help people navigate through the current situation

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#wehelpfreelancers initiative – companies to pre-book / pay for freelancer services

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kununu launched employer transparency ticker

## B2B E-RECRUITING

Free of charge job ads for essential and high-demand jobs

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Free of charge TalentpoolManager

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XTM free for 30 days

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Free services for 360 customers

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XING Events started online events training

## Q1 2020 FINANCIAL HIGHLIGHTS

- CONTINUED GROWTH IN Q1, BUT BUSINESS IMPACTED FROM COVID-19
  - Main Q1 non-fins and revenues are up
  - Q1 EBITDA up on like-4-like basis
- STRONG CASH-FLOW IN Q1
- APRIL SHOWS COVID-19 IMPACT
- BUSINESS MODEL IN GENERAL COMPARATIVELY RESILIENT
- FY OUTLOOK: REVENUES € 275-285M; EBITDA MARGIN ~30%
- DIVIDEND PROPOSAL UNCHANGED: € 2.59 PER SHARE

# Q1 2020: REPORTED NUMBERS DISTORTED BY XO EFFECTS AND A PORTFOLIO ADDITION (HONEYPOT)

	Q1 2020	Q1 2019	Q1 2020 vs. Q1 2019	Q4 2019	Q1 2020 vs. Q4 2019
	Abs.	Abs.	Rel.	Abs.	Rel.
Service revenues	68.9	62.6	10%	73.2	(6%)
Other operating income	0.6	4.8	(87%)	0.3	102%
Capitalized own work	6.6	5.6	16%	5.6	17%
Costs before capitalization	(60.1)	(55.4)	(9%)	(57.4)	(5%)
EBITDA	15.9	17.7	(10%)	21.7	(26%)
Margin	23%	28%	(5%pts)	30%	(6%pts)
D&A	(12.3)	(5.9)	(108%)	(13.3)	7%
Financial result	5.6	1.5	270%	4.9	14%
Taxes	(2.0)	(4.1)	51%	(1.6)	(27%)
Net income	7.2	9.2	(22%)	11.7	(38%)
EPS	1.28	1.64	(22%)	2.11	(38%)

# Q1 2020 PRO-FORMA P&L: 12% EBITDA GROWTH VS PRO-FORMA Q1 2019

	Q1 2020 reported	Honeypot Start-up losses	CSO severance payment	COVID-19 Impairment	Earn-Out adjustments M&A Transactions	IFRS changes in value of financial assets	Q1 2020 Pro-Forma	Q1 2019 Pro-Forma	Q1 2020 Pro-Forma vs. Q1 2019 Pro-Forma
	Abs						Abs.		Rel
Service revenues	68.9	0.6					68.3	62.6	9%
Other operating income	0.6	0.0					0.6	1.1	(44%)
EBITDA	15.9	(1.7)	(1.2)				18.8	16.9	12%
D&A	(12.3)	(0.4)		(5.8)			(6.1)	(5.9)	(3%)
Financial result	5.6	(0.2)			7.4	(1.5)	(0.1)	(0.3)	60%
Taxes	(2.0)	0.8	0.4			0.5	(3.6)	(3.7)	2%
Net income	7.2	(1.6)	(0.8)	(5.8)	7.4	(1.0)	9.0	7.0	29%
EPS	1.28	(0.28)	(0.14)	(1.03)	1.31	(0.18)	1.60	1.25	29%

- Q1 2020 adjusted for Honeypot related effects (impairment, change in earn-outs and start-up losses) & redundancy payments for board member Alastair Bruce and changes in the value of financial assets
- Q1 2019 adjusted for one-time effect related to new office rental agreement, the kununu US step up and changes in value of financial assets

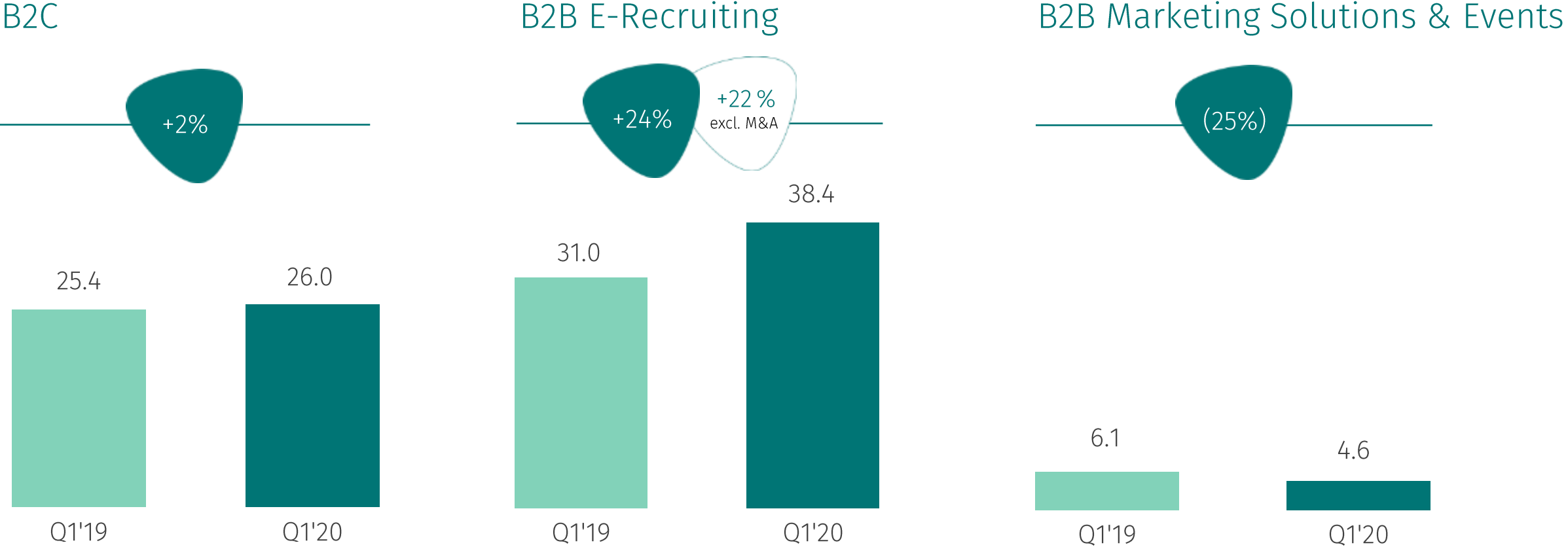
# B2C AND B2B E-RECRUITING SEGMENT MARGINS STABLE GIVEN INVESTMENTS, MARKETING SOLUTIONS & EVENTS IMPACTED BY TOPLINE DEVELOPMENT DUE TO COVID-19

	Segment EBITDA Q1 2020	Q1 2020 Margin	Q1 2019 Margin	▲	Comment
B2C	7.4	29%	29%		Investments in new products
B2B E-Recruiting	25.4	66%	70%		
B2B Marketing Solutions & Events	0.8	17%	30%		Negative COVID-19 effects
kununu International	(0.2)	Neg	Neg		
Tech, Central Services & Other	(17.4)	Neg	Neg		
<b>Total EBITDA</b>	<b>15.9</b>	<b>23%</b>	<b>28%</b>		

\*EBITDA Margin = EBITDA / Service Revenue

Rounding differences possible

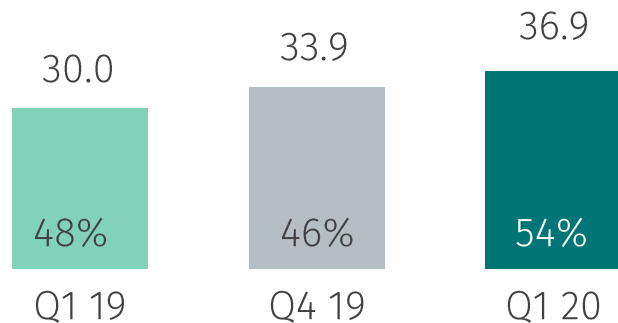
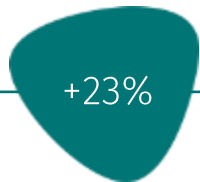
# Q1 2020: B2C AND B2B E-RECRUITING STABLE/GROWING; MARKETING SOLUTIONS & EVENTS IMPACTED BY COVID-19



# Q1 2020 COST DEVELOPMENT

## Personnel

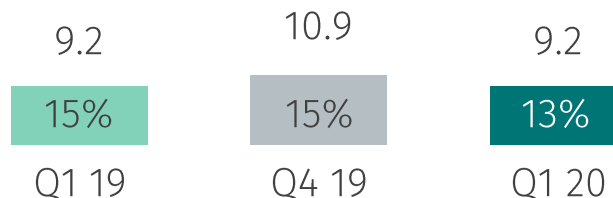
in € m and in % of revenues



- + 301 FTEs yoy (incl. 113 through M&A)
- Investment in product/tech org & sales/marketing

## Marketing

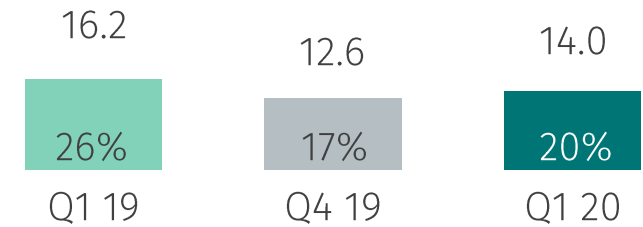
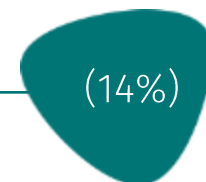
in € m and in % of revenues



- Online display & social media
- SEM
- B2B E-Recruiting media campaign

## Other expenses

in € m and in % of revenues



- External services (fewer freelancers yoy)
- Server hosting
- Payment processing
- Travel & entertainment
- Other



# Q1 2020: OPERATING CASH FLOW OF € 32.4M

	Q1 2020	Q1 2019	Q1 2020 vs. Q1 2019	Q4 2019	Q1 2020 vs. Q4 2019
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	15.9	17.7	(1.8)	21.7	(5.7)
Interest / tax / other	(2.0)	(2.3)	0.3	(1.1)	-0.9
Change in net working capital	18.4	17.1	1.3	(4.2)	22.7
Non-cash changes from changes in basis of consolidation	0.0	(3.8)	3.8	0.0	0.0
Operating cash flow excl. organiser cash	32.4	28.8	3.6	16.3	16.1
Investment – operating	(9.2)	(8.0)	(1.2)	(9.0)	(0.2)
Investment – acquisitions & joint venture	0.0	(2.5)	2.5	0.0	0.0
Investment – financial assets	0.0	0.0	0.0	0.0	0.0
Interests paid, lease liabilities, FX rate diff. & rest	(1.5)	(1.2)	(0.3)	(2.0)	0.5
Cash-flow excl. dividends & organiser cash	21.7	17.1	4.6	5.4	16.4
Regular dividend	0.0	0.0	0.0	0.0	0.0
Special dividend	0.0	0.0	0.0	0.0	0.0
Cash-flow excl. organiser cash	21.7	17.1	4.6	5.4	16.4
Effects organiser cash	(0.7)	2.8	(3.5)	(3.5)	(2.8)
Cash-flow incl. organiser cash	21.0	19.9	1.2	1.9	19.2

# APRIL W/COVID-19 SHOWS STABLE NON-FINS AND RENEWAL BUSINESS BUT NEGATIVE IMPACT ON NEW AND TRANSACTIONAL BUSINESSES

	FIRST MONTH OF COVID-19	POST-COVID-19	LONG-TERM
<b>B2C</b>	<ul style="list-style-type: none"> <li>Member adds slightly down yoy</li> <li>Activity up yoy, esp. News</li> <li>Premium: Existing payer base rather stable</li> <li>Premium: New business slightly down</li> </ul>	<ul style="list-style-type: none"> <li>Member growth and activity back to normal</li> <li>Overproportional job search activity expected</li> </ul>	<p>Long-term outlook unchanged due to megatrend "Demographics"</p>
<b>B2B E-RECRUITING</b>	<ul style="list-style-type: none"> <li>Existing subscriber base with stable renewals</li> <li>New subscription business significantly down</li> <li>New business passive recruiting significantly down</li> </ul>	<ul style="list-style-type: none"> <li>Depending on macro economy in general</li> <li>Scarce candidate segments most likely w/faster recovery</li> </ul>	
<b>MARKETING SOLUTIONS &amp; EVENTS</b>	<ul style="list-style-type: none"> <li>Marketing Solutions transactional, slightly down</li> <li>Events generally strongly affected</li> </ul>	<ul style="list-style-type: none"> <li>Marketing Solutions back to normal</li> <li>XING Events: depending on social distancing policy. Virtual events potential new opportunity</li> </ul>	

# OUR BUSINESS MODEL IS COMPARATIVELY RESILIENT; NEW OUTLOOK

## RESILIENCE

### SUBSCRIPTION BASED REVENUES

~80% subscription based, mainly auto-renewal

### GRANULARITY OF CUSTOMER BASE

Very diversified user and customer base

### UP-FRONT PAYMENT

Subscription packages are usually paid upfront

### DIGITAL OPERATIONS

Majority of operations are purely digital

## OUTLOOK

### OUTLOOK UPDATE BASED ON COVID-19 EFFECT

Revenues: € 275 - 285M

EBITDA margin: ~30%

### DIVIDEND PROPOSAL UNCHANGED € 2.59 PER SHARE

THANK YOU THOMAS!





**NEW  
WORK  
SE**

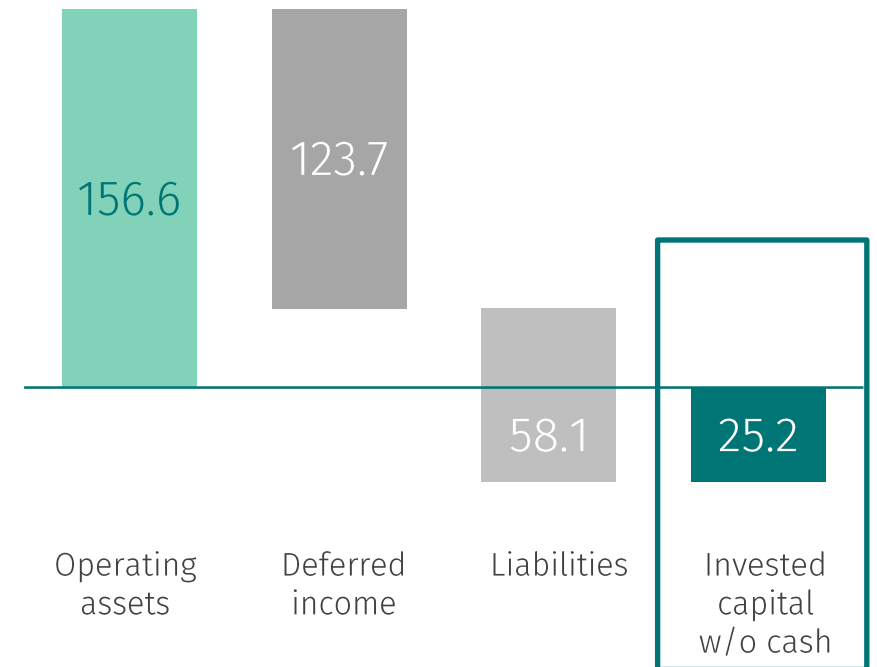
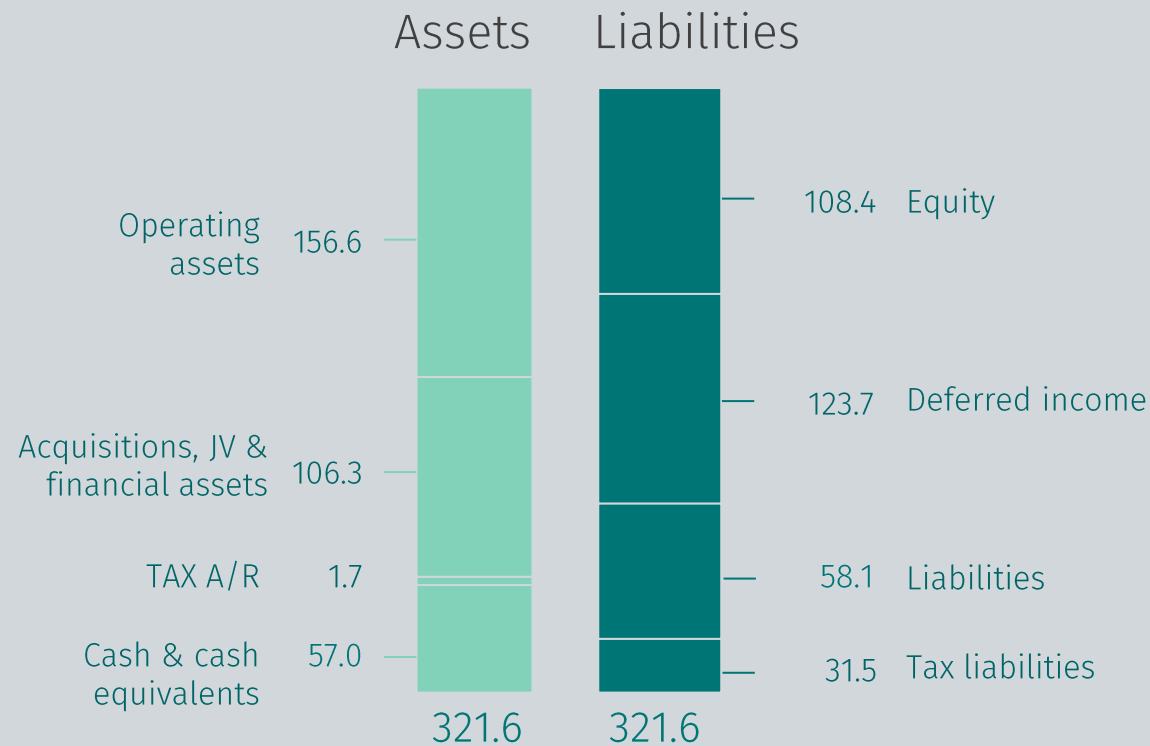
THANK YOU  
FOR YOUR ATTENTION.

# BACKUP

# NEGATIVE INVESTED CAPITAL FROM SHAREHOLDERS' PERSPECTIVE

Excl. event organiser cash and NWC

in €m



# CONSENSUS, INVESTOR INFORMATION & CONTACT DETAILS

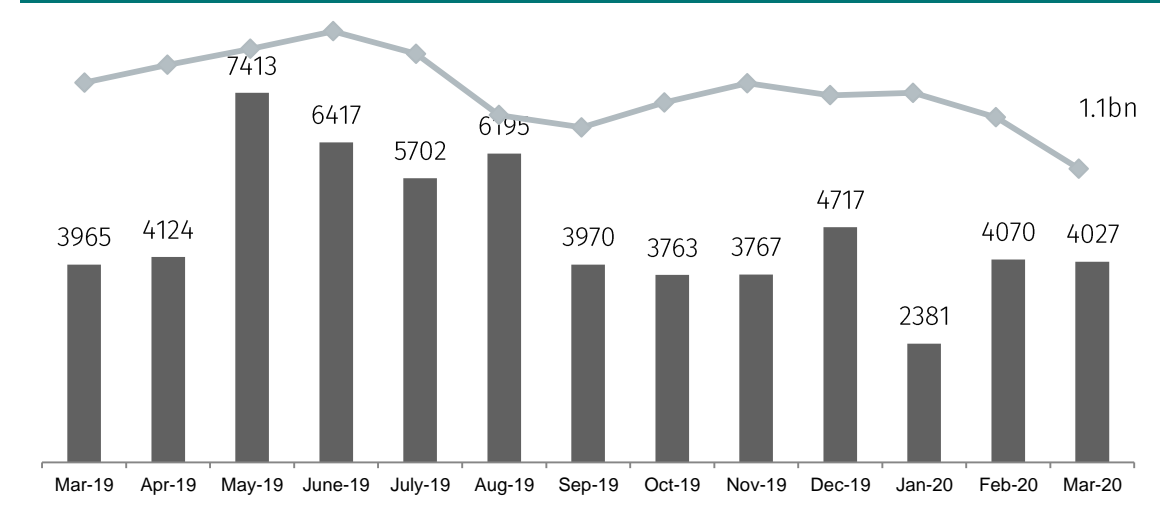


# NEW WORK SE CONSENSUS & IR STATS

Consensus collected by IR	2020e	2021e	2022e
Service revenues	<b>278.4</b>	<b>308.6</b>	<b>361.8</b>
EBITDA	<b>87.4</b>	<b>98.9</b>	<b>115.7</b>
Margin	31%	32%	32%
D&A	-39.7	-41.8	-43.1
EBIT	<b>47.7</b>	<b>57.1</b>	<b>72.7</b>
Margin	17%	18%	20%
Net income	<b>30.1</b>	<b>38.1</b>	<b>48.2</b>
EPS in €	5.37	6.78	8.58
DPS in €	1.99	2.56	3.19

Analyst coverage	Berenberg, Commerzbank, Deutsche Bank, Hauck & Aufhäuser, MM Warburg, Pareto Securities
Shares	5,620,435

Average trading volume per day (XETRA) & market cap (in €bn)



Burda Digital SE (DE)	50.0 %
Oppenheimer (US)	4.7 %
Mawer (CAN)	3.3 %
DWS	3.1 %
Rest	38.9 %

Numbers based on last filing – current shareholdings can differ

# INVESTOR RELATIONS CONTACT DETAILS & SOCIAL MEDIA CHANNELS



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