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# Scout24 AG

## H1 (Q2) 2016 Results Conference Call

August 11, 2016

**SCOUT 24**



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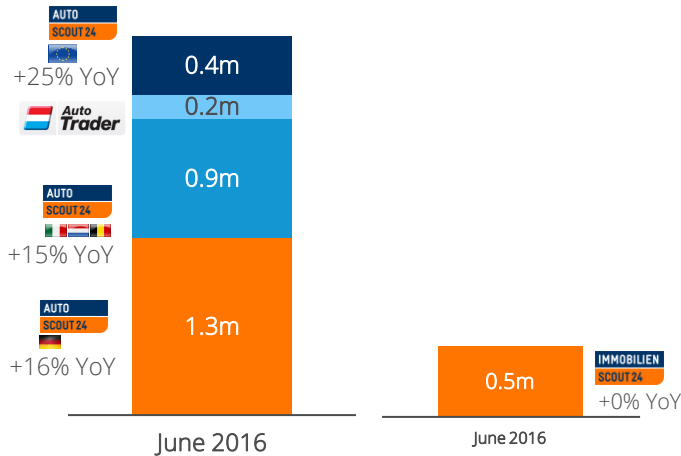
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# Key Operational Highlights

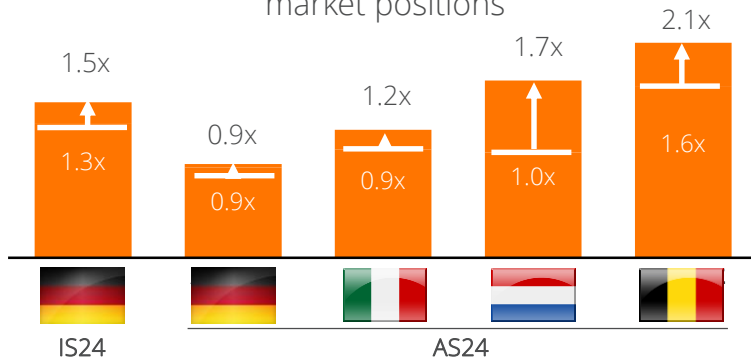
We Continue to Be the Most Relevant Marketplace for BOTH our Customers and Consumers

## Record Listings Levels

More than 3m active listings

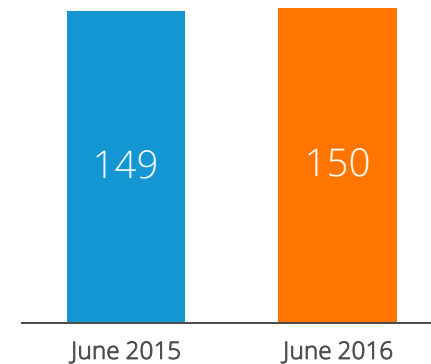


We are further cementing our leading market positions

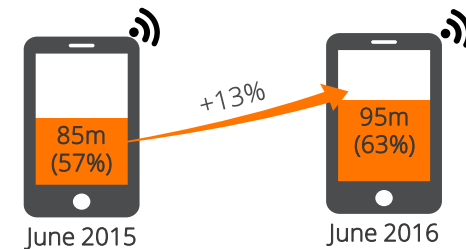


## Record Traffic Levels

Visits to core brand on constant high level



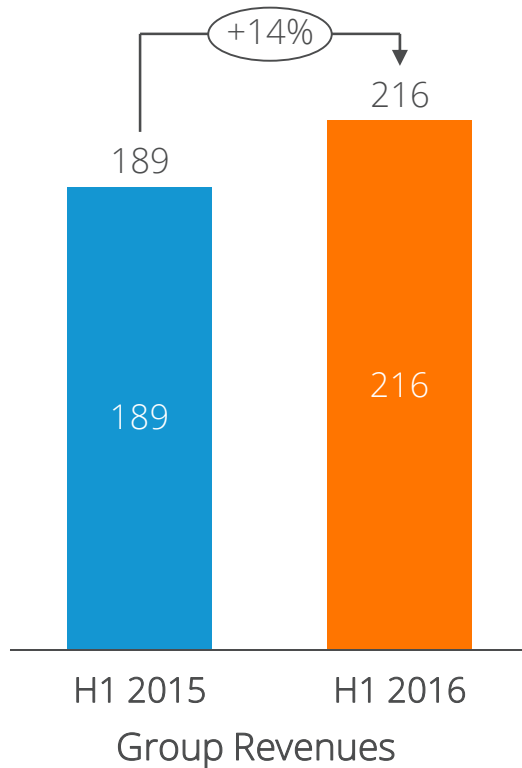
6 out of 10 engage through us on the go



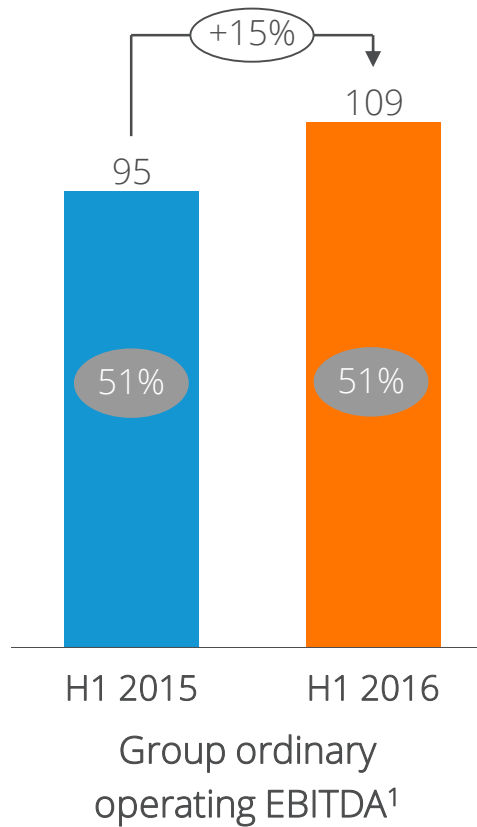
Sources: Management estimates, Autobiz June 2016, own traffic monitor  
Mobile traffic as a percentage of total traffic (visits)

# Key Financial Highlights

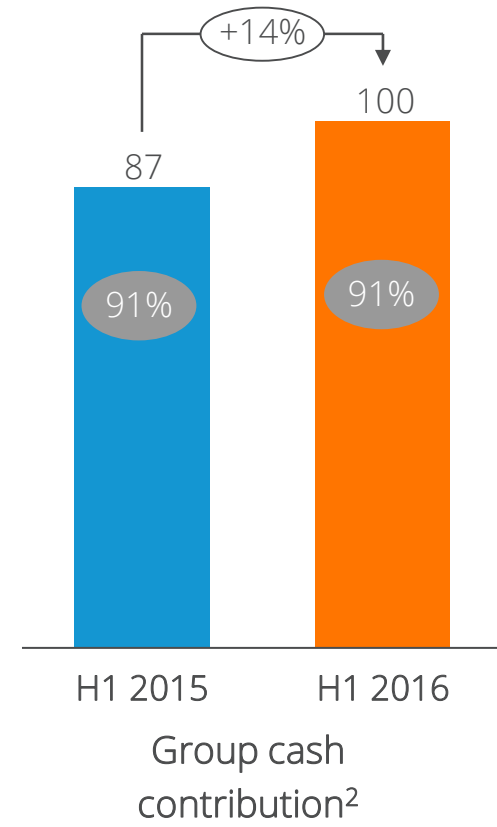
Strong organic revenue growth...



...sustainable profitability...



...and robust & visible cash flows



ooEBITDA margin

Cash Conversion<sup>3</sup>

Note: All figures in € millions.

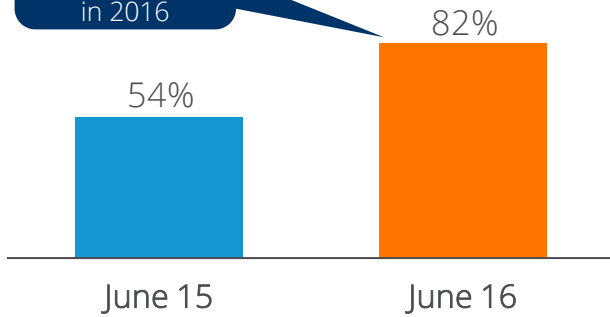
1. Ordinary operating (oo)EBITDA represents EBITDA adjusted for non-operating and special effects, ordinary operating EBITDA margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenues.  
 2. Cash contribution is defined as ooEBITDA less Capital expenditures, cash conversion as ooEBITDA / (ooEBITDA less Capital expenditures)

# ImmobilienScout24

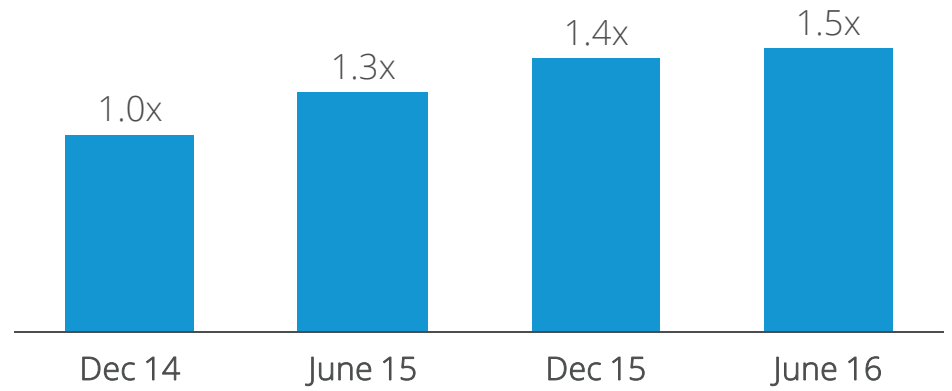


## Membership migration process<sup>1</sup>

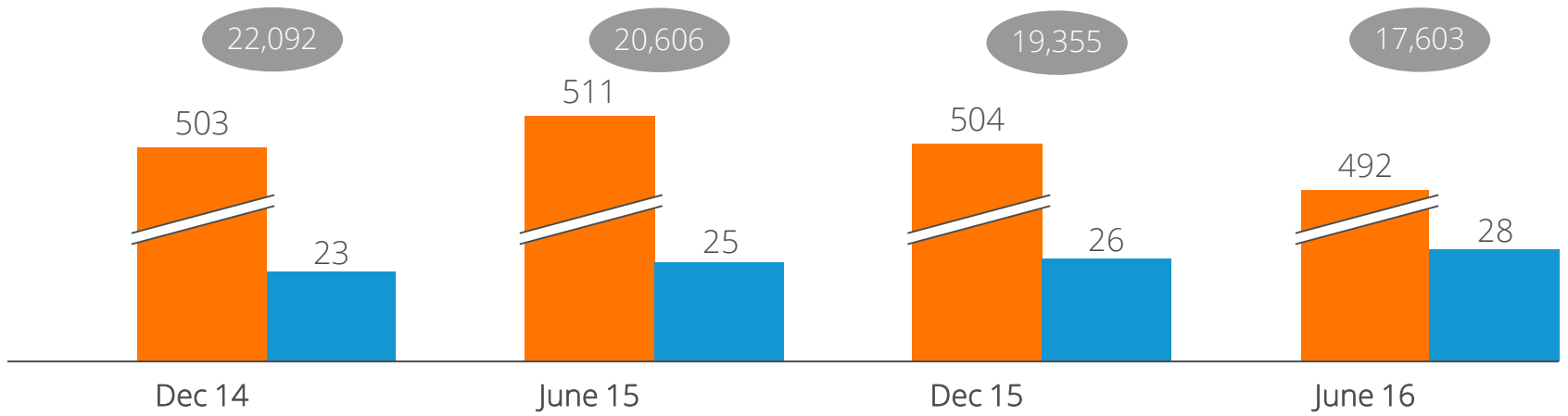
Membership migration to be mostly finalized in 2016



## Relative listings position to #2 competitor



## Listings evolution



Source: Management estimates, internal data.

1. Among the approximately 90% of core agents that are targeted for migration.

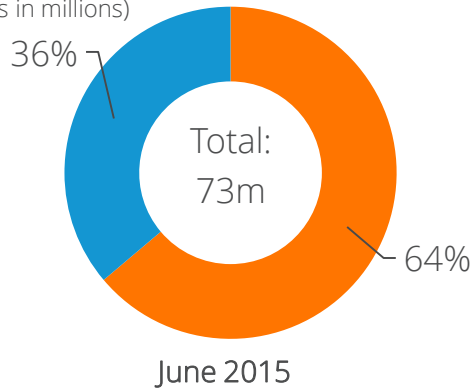
- █ Total Listings (in `000s)
- █ Listings per Core Agent
- Number of Core Agents (eop)



# ImmobilienScout24

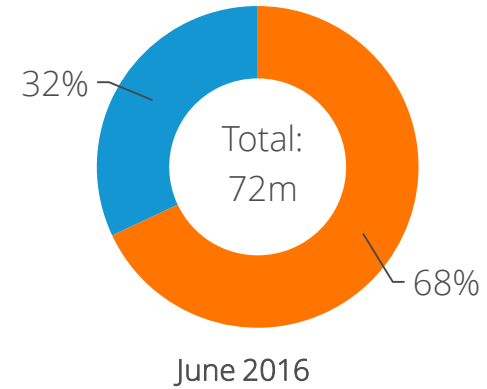


## Traffic Evolution<sup>1</sup> (visits in millions)

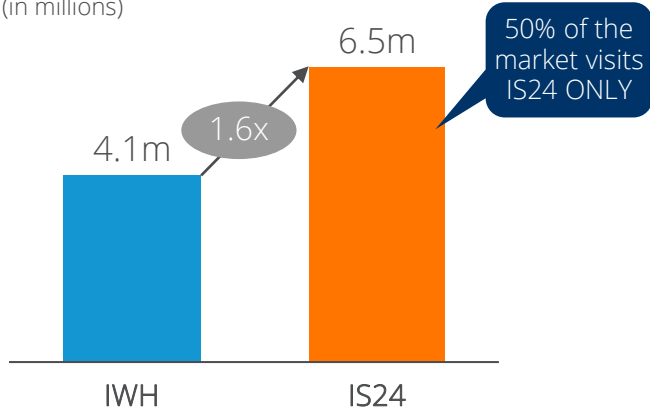


+5% y-o-y growth

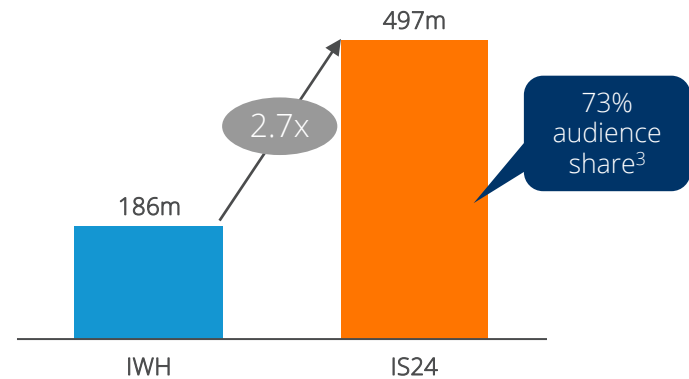
■ = main sites  
■ = mobile sites and apps



## Unique Visitors (June 2016)<sup>2</sup> (in millions)



## Time Spent (June 2016)<sup>2</sup> (in minutes)

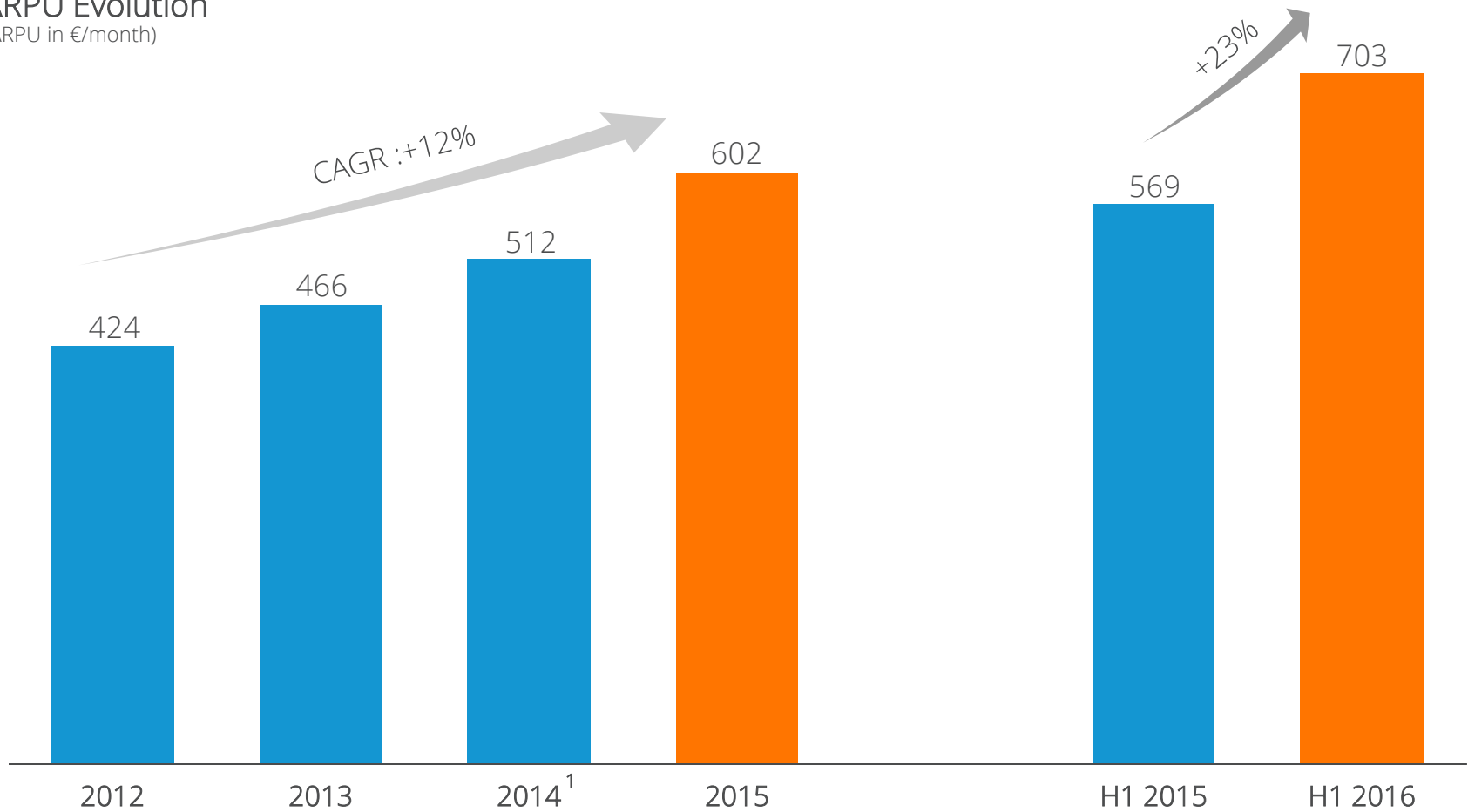


1. Management estimates, based on visits to the IS24 platform from mobile devices, mobile and all IS24 applications as measured by own traffic monitor.  
 2. Based on Unique Monthly Visitors ("UMV") for traffic and total time spent for engagement, comScore MMX June 2016 (desktop only for traffic and desktop and mobile for engagement), management estimates.  
 3. Share based on total time spent within Germany competitor set for online property classifieds which includes IS24, Immonet and Immowelt.

# ImmobilienScout24



## ARPU Evolution (ARPU in €/month)



1. Given the Group's complex financial history, to facilitate year-on-year comparison and to better represent the business trends and situation of Scout24, additional, voluntary disclosure has been provided for the twelve-month period ended December 31, 2014. These figures represent the sum of financials from the audited consolidated financial statements of Scout24 Holding GmbH for the short financial year from January 1, 2014 until March 31, 2014 and from the audited consolidated financial statements of Asa NewCo GmbH for the period of April 1, 2014 to December 31, 2014.

# IS24 Wrap-Up

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## What We Have Delivered

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Membership migration near completion ✓

Increased listings market share ✓

Launched initiatives to improve sales performance ✓

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## What We Are Working On

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Drive VIA power usage and further expand ARPU

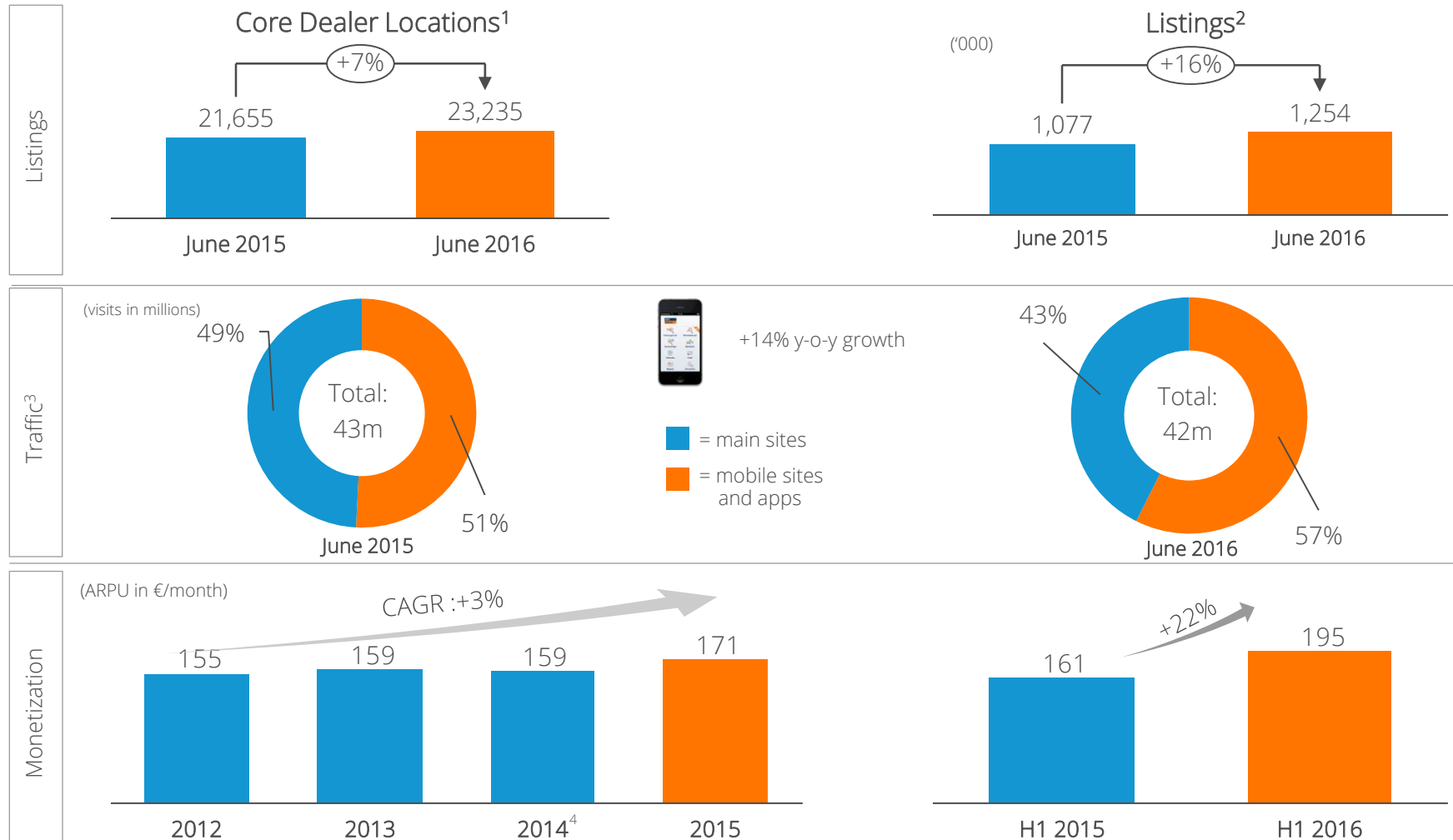
Continue to roll-out regional product and pricing strategy

Finalize sales force reorganization and drive sales force performance



# AutoScout24

## Focus on Germany – Strengthening Market Positioning



1. Management estimates, based on internal data.

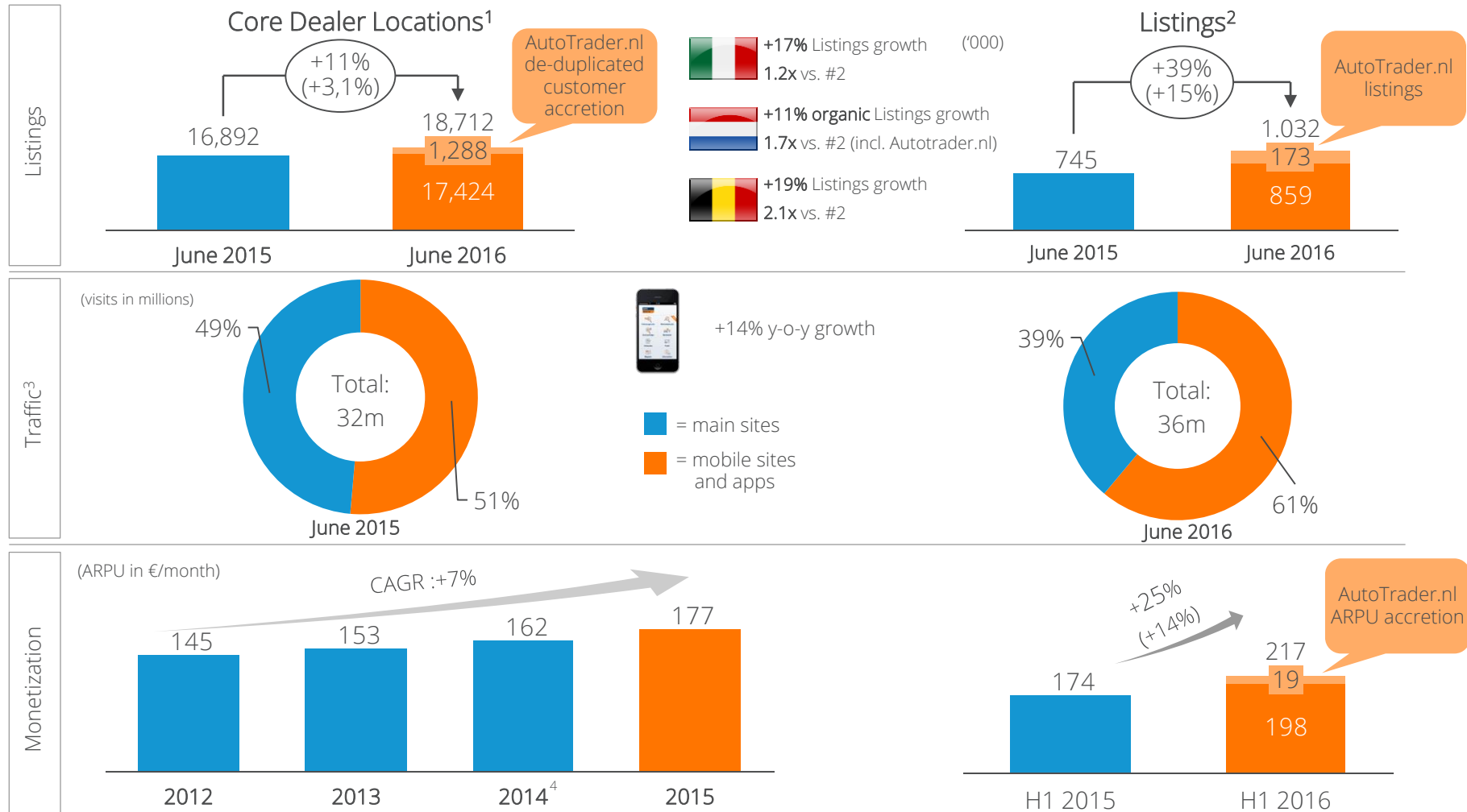
2. Autobiz, December 2015.

3. Management estimates, based on visits to the AS24 platform from mobile devices, mobile and all IS24 applications as measured by own traffic monitor.

4. Given the Group's complex financial history, to facilitate year-on-year comparison and to better represent the business trends and situation of Scout24, additional, voluntary disclosure has been provided for the twelve-month period ended December 31, 2014. These figures represent the sum of financials from the audited consolidated financial statements of Scout24 Holding GmbH for the short financial year from January 1, 2014 until March 31, 2014 and from the audited consolidated financial statements of Asa NewCo GmbH for the period of April 1, 2014 to December 31, 2014.

# AutoScout24

## Focus on Italy & Benelux – Cementing our Leadership Positions



1. Management estimates, based on internal data.

2. Autobiz, June 2016, excluding Autotrader.

3. Management estimates, based on visits to the AS24 platform from mobile devices, mobile and all IS24 applications as measured by own traffic monitor.

4. Given the Group's complex financial history, to facilitate year-on-year comparison and to better represent the business trends and situation of Scout24, additional, voluntary disclosure has been provided for the twelve-month period ended December 31, 2014. These figures represent the sum of financials from the audited consolidated financial statements of Scout24 Holding GmbH for the short financial year from January 1, 2014 until March 31, 2014 and from the audited consolidated financial statements of Asa NewCo GmbH for the period of April 1, 2014 to December 31, 2014.

# AS24 Wrap-Up

## What We Have Delivered

Successfully implemented new sales approach Benelux and Italy ✓

Rollout Marketing Power pricing model completed in Benelux and Italy ✓

Creating tangible USPs/ differentiation points vs. our competition in Germany ✓

## What We Are Working On

Execute on sales strategy to further cement leadership position

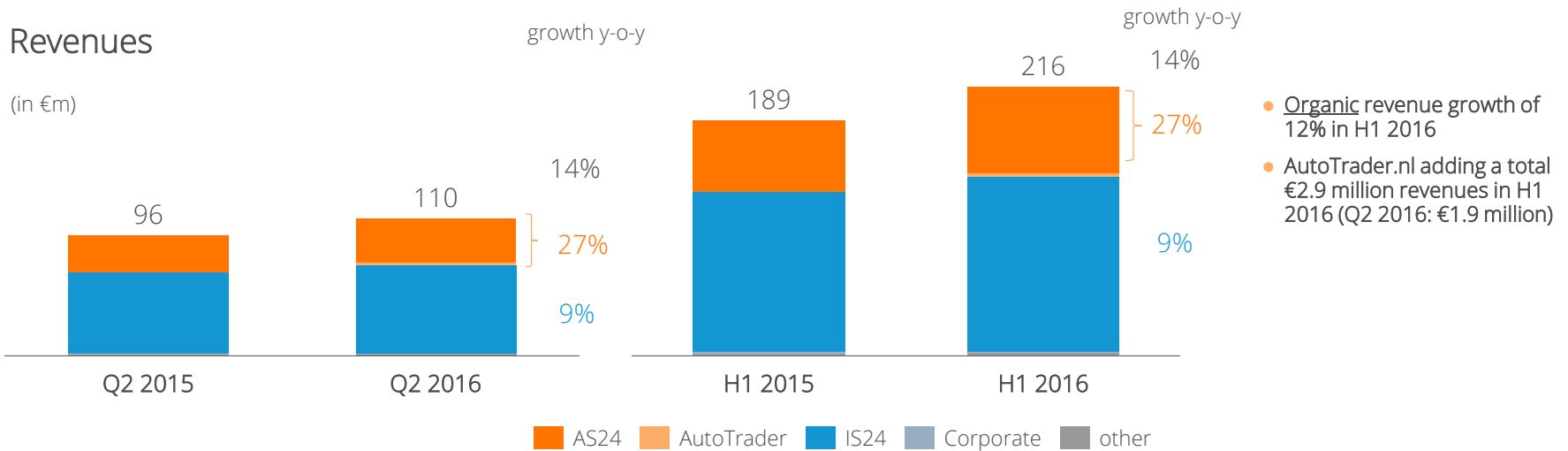
Further increase penetration of Marketing power products and monetize market leading position

Further leverage USPs to further narrow traffic and content gap vs. mobile.de

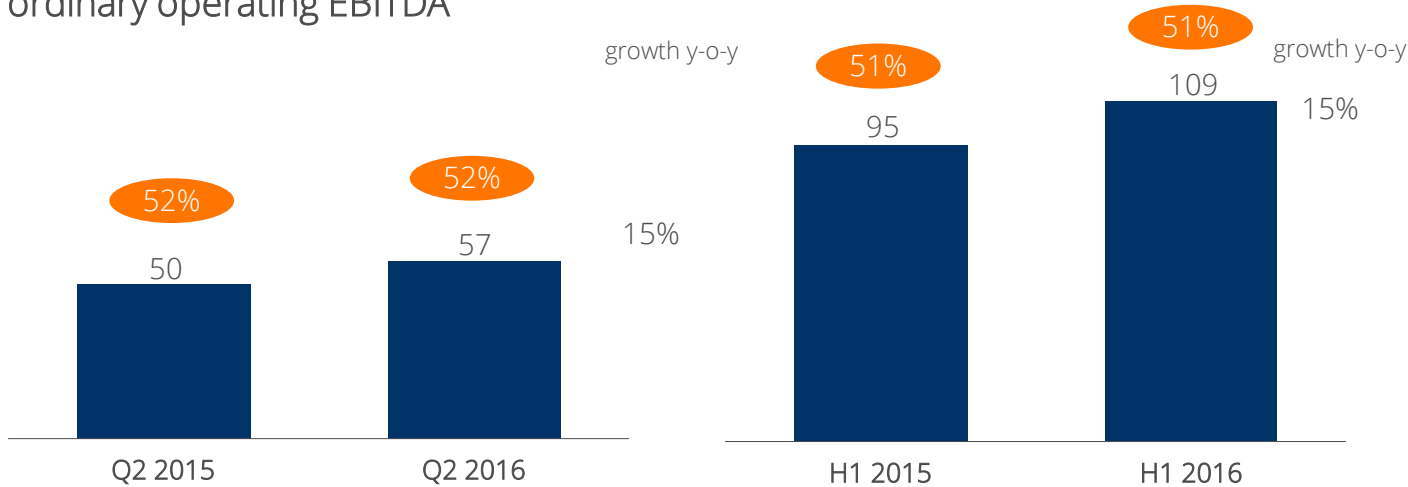
# Financial Review



# Group: Strong organic growth and sustainable profitability



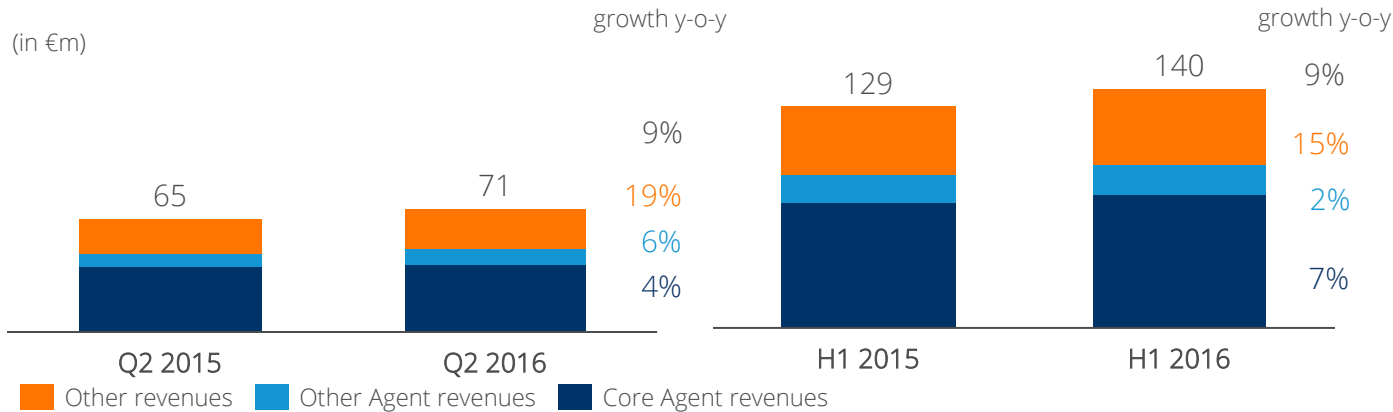
## ordinary operating EBITDA



xx% ooEBITDA margin

# IS24: Platform for Continued Growth

## External Revenues



## Key highlights

### Core Agent revenues

- Revenue growth driven by solid ARPU increase offsetting decreasing core agent numbers

### Other Agent revenues

- Slight decrease in Professional PPA revenues due to impact of "Bestellerprinzip" offset by healthy growth in Austria marketplaces

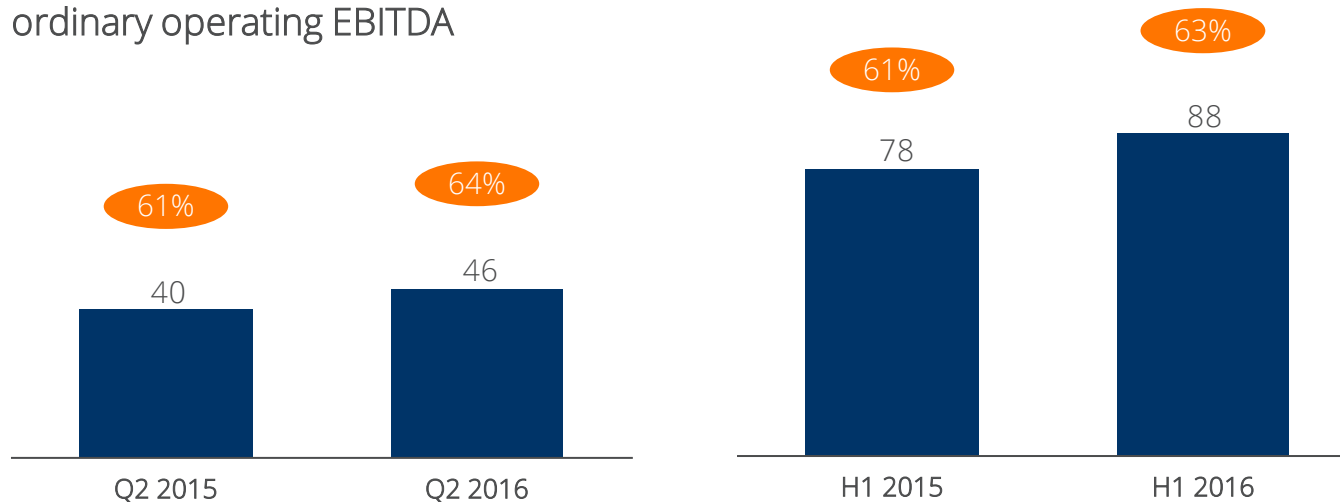
### Other revenues

- Increase reflecting healthy revenue growth in adjacent businesses combined with slight increase in private listing revenues fueled by "Bestellerprinzip"
- classmarkets adding €0.8 million of revenues (acquired in September 2015)

### ooEBITDA

- Cost growth disproportional to revenue growth resulting in margin uplift of 2.1pp

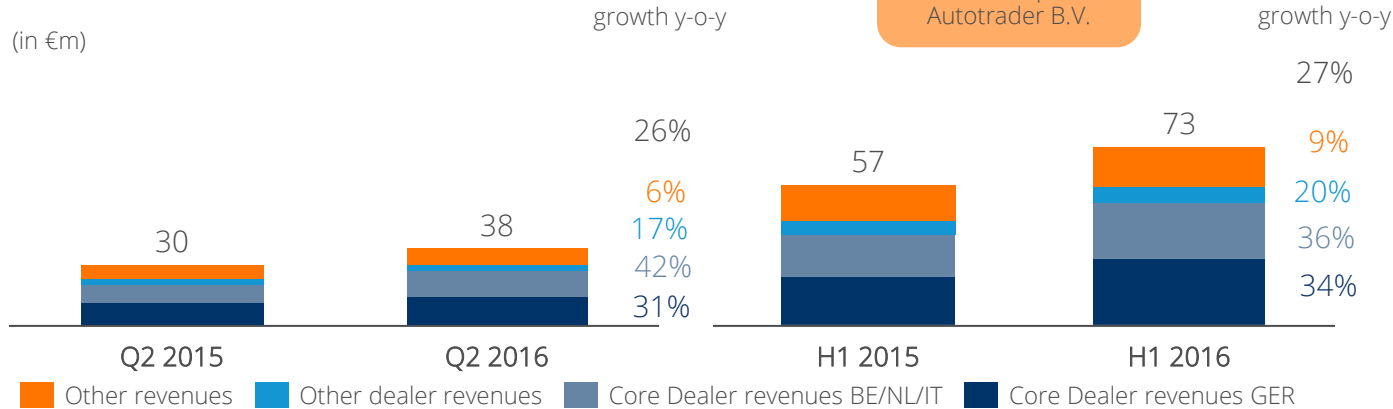
## ordinary operating EBITDA



xx% ooEBITDA margin

# AS24: Delivering on Growth Potential

## External Revenues



## Key highlights

### Core Dealer revenues

- Ongoing expansion of dealer base and ARPU in Germany due to success of new sales approach
- Balanced mix of dealer and ARPU growth in Italy / Benelux drives increasing monetization, AutoTrader.nl (acquired in February 2016) adding €2.7 million Core dealer revenues
- Accelerating revenue growth driven by roll-out of visibility products
- AutoTrader.nl adds a total of €2.9 million of revenues since February 2016

### Other Dealer revenues

- Increase driven by Easyautosale acquisition (consolidated since April 2015) adding net revenues of 0.9m

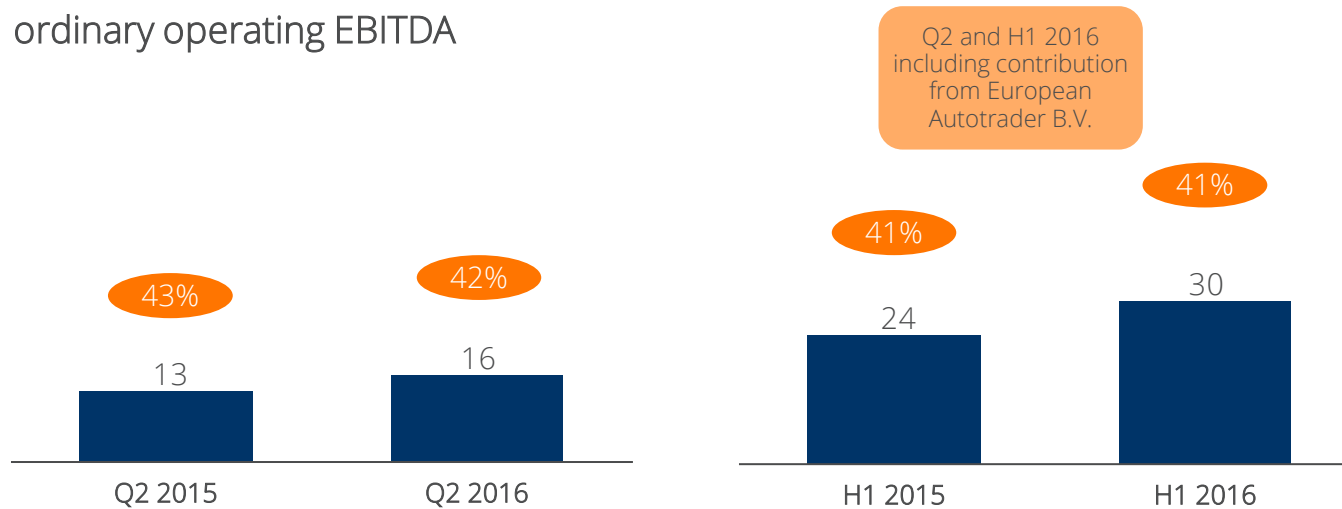
### Other revenues

- Adsales with solid growth throughout all key geographies

### ooEBITDA

- Margin development skewed by deviating cost seasonality in 2015

## ordinary operating EBITDA

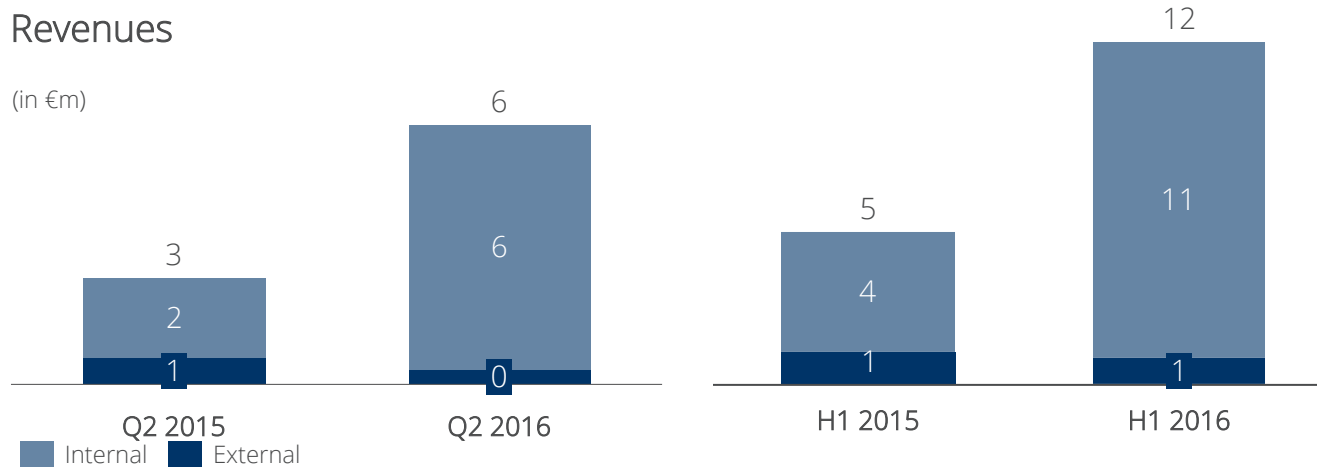


xx% ooEBITDA margin

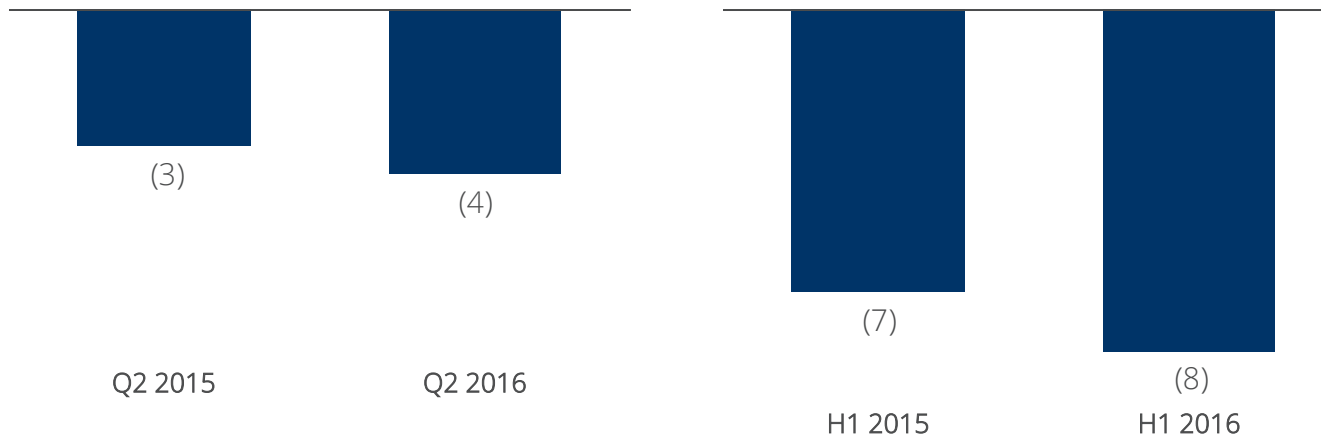
# Corporate

## Revenues

(in €m)



## ordinary operating EBITDA<sup>1</sup>



## Key highlights

- Internal revenues relate to shared services and group functions as well as to the management fee charged by Corporate to IS24 and AS24
- Cost base impacted by set-up of Asa NewCo/AG structures as well as centralization of group functions as well as management and shared services positions into AG
- Corporate ooEBITDA includes reconciliation adjustments relating to management fee recharged to IS24 and AS24 below the ooEBITDA line, as follows:
  - H1 2015: €(2.3)m
  - H1 2016: €(5.0)m

1. Ordinary operating (oo)EBITDA for Corporate represents EBITDA adjusted for non-operating and special effects and including reconciliation of management fee recharged to IS24 and AS24.



# Below EBITDA Items

(in €m)		H1 2015	H1 2016
	<b>Ordinary operating EBITDA</b>	<b>95.5</b>	<b>109.4</b>
	Non-operating items	(10.6)	(9.6)
	<b>Reported EBITDA</b>	<b>84.8</b>	<b>99.7</b>
	D&A	(7.0)	(7.7)
PPA Effect	D&A on PPA items	(24.6)	(24.7)
	<b>EBIT</b>	<b>53.2</b>	<b>67.3</b>
	Results Equity Method	21.3	(0.0)
Interest	Finance Income	4.0	0.0
	Finance Cost	(23.0)	(23.1)
	<b>Earnings before Tax</b>	<b>55.5</b>	<b>44.3</b>
Taxes	Taxes on Income	(15.6)	(14.9)
	<b>Earnings after Tax</b>	<b>40.0</b>	<b>29.5</b>
	<b>Earnings per Share (in €)</b>	<b>0.40</b>	<b>0.28</b>
	<b>Adjusted Earnings<sup>1</sup></b>	<b>46.8</b>	<b>53.7</b>
	<b>Earnings per Share adjusted (in €)<sup>1</sup></b>	<b>0.47</b>	<b>0.50</b>

## Comments

- include €2.2m non-cash accounting effect from share-based compensation (Management Equity Programmes), €1.2m performance based compensation stemming from a purchase price agreement, €2.0m of cost relating to acquisition of AutoTrader.nl and €4.0m personnel cost relating to the reorganisation

- H1 2015 including €3.5 million gain from derivative instruments, H1 2016 with €5.0 million expense (0% floor on EURIBOR, **non-cash relevant**)
- Amortization of capitalized financing fees of €5.0 million included in H1 2015 (including write-offs due to refinancing and prepayment), € 2.5 million in H1 2016

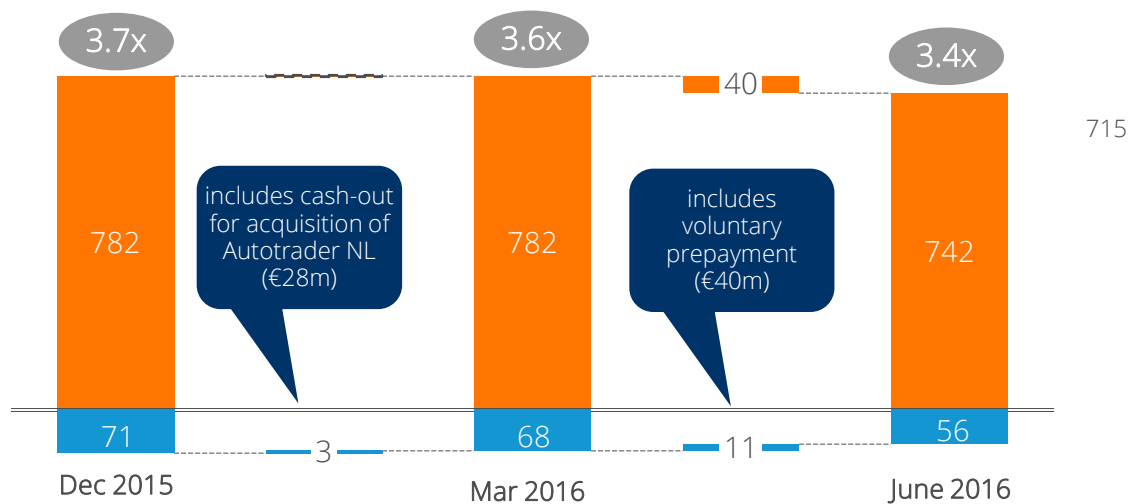
- Low-to-mid 30% effective tax rate expected for the Full Year 2016 (slightly higher than normalized rate of 31.5%)
- Cash tax for Full Year 2016 expected to be burdened by subsequent payment for 2015

1. Unaudited. Excluding Non-recurring items and D&A on PPA items, calculated with normalized tax rate. Detailed reconciliation in appendix.

# Capital structure

## Current Debt (Nominal Value)

(in €m)	Dec 2015	June 2016
Term Loan B	424	384
Term Loan C	357	357
Revolver (€45.6m committed)	0	0
Other loans (FlowFact, Stuffle)	1	1
<b>Total Debt (Nominal Value)</b>	<b>782</b>	<b>742</b>
Cash & Cash Equivalents	71	56
<b>Net Nominal Value</b>	<b>712</b>	<b>685</b>



## Comments

- Scout24 is currently rated by Moody's (B1) and S&P (B+)
- Net primary IPO proceeds of €214m and excess cash flow of €40m were used to pay down debt resulting in annualized interest savings of ~€9.5m
- As business de-levers over time, margin ratchet will reduce interest expense further

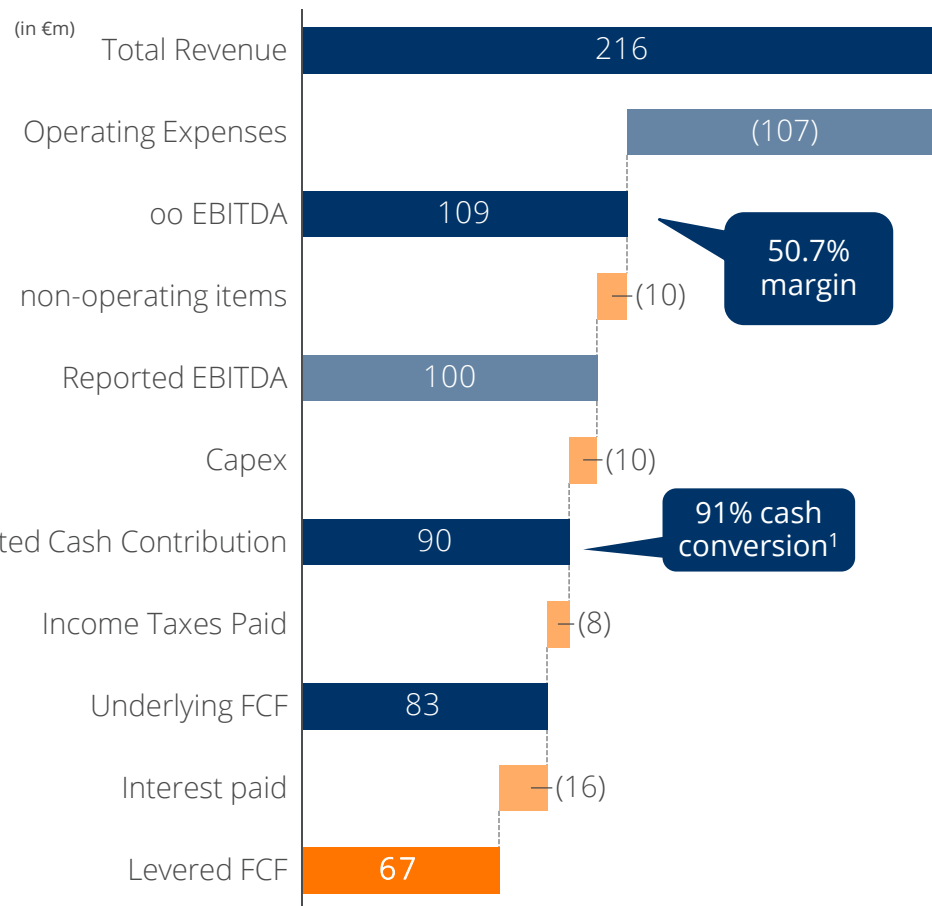
## Margin ratchet thresholds

Leverage (Net Debt/EBITDA)	Margin
>4.00x	4.25%
>3.50x	3.75%
>2.75x	3.50%
<2.75x	3.25%

- Leverage test on a quarterly basis with new spread applicable 45 days post quarter end
  - Lower margin according to margin ratchet of +3.75% in place since mid of February 2016

# Recap: Strong Free Cash Flow Generation

## Revenue to Free Cash Flow Bridge (12M 2015)



- ▶ Solid topline driven by organic growth
- ▶ Cost optimization, OneScout24 synergies and significant operating leverage
- ▶ Non-operating cost of €16.0m expected for 2016, therein €4.4m relating to share-based compensation programs, €3m relating to AutoTrader.nl integration, €6.5m of personnel cost for reorganization
- ▶ Limited capex requirements
- ▶ To approach statutory corporate rate
- ▶ Robust deleveraging and declining cost of debt
- ▶ Potential for outsized net cash flow growth

1. Cash conversion is defined as (oo EBITDA less Capital Expenditure) / oo EBITDA .

# Outlook Full Year 2016

Moving to high end of previously guided margin range

## Revenues

(in €m)

216



H1 2016

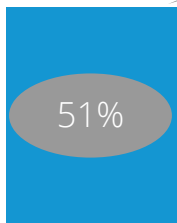
Group revenues expected to record **a low double-digit** percentage growth rate

- IS24 is expected to achieve **a mid single** percentage revenue growth rate
- AS24 is expected to grow revenues at **a low twenties percentage rate**

## ordinary operating EBITDA

(in €m)

109



H1 2016

Group ooEBITDA margin is expected **between 50.0% and 50.5%**

- IS24 is expected to achieve an ordinary operating EBITDA margin **of at least 61.5%**
- AS24 margin expected **to expand to at least 41.0%**

● ooEBITDA margin

# Q&A

# Reconciliation Adjusted Earnings<sup>1</sup>

(in €m)	H1 2015	H1 2016
<b>Earnings before Tax</b>	<b>55.5</b>	<b>44.3</b>
Add back non-operating items	10.6	9.6
Add back D&A on PPA items	24.6	24.7
Add back extraordinary finance expense/ income	-	-
Deduct Profit from disposal of investments accounted for using the equity method	(22.1)	-
<b>Adjusted Earnings before Tax</b>	<b>68.7</b>	<b>78.7</b>
Adjusted Tax based on normalized Tax rate	(21.9)	(24.8)
Non-Controlling interest	(0.3)	(0.2)
<b>Adjusted Earnings attributable to owners of the parent</b>	<b>46.8</b>	<b>53.7</b>
<b>Earnings per Share adjusted (in €)<sup>1</sup></b>	<b>0.5</b>	<b>0.5</b>
Weighted average of shares (in million)	100.0	107.6

Based on relevant nominal tax rate as stated in Annual Report 2015 and Group interim report 2016. H1 2015: 31.44%; H1 2016: 31.5%.

1. Voluntary information, unaudited, not reviewed.

# Income Statement

(EUR '000)	01/01/15 - 06/30/15	01/01/16 - 06/30/16
<b>Revenues</b>	<b>189.1</b>	<b>215.9</b>
Own work capitalised	5.3	5.5
Other operating income	1.6	0.8
<b>Total operating performance</b>	<b>196.0</b>	<b>222.1</b>
Personnel expenses	(47.9)	(55.0)
Advertising expenses	(22.5)	(24.6)
IT expenses	(5.9)	(6.9)
Other operating expenses	(34.8)	(35.8)
<b>EBITDA (Earnings before interest, tax, depreciation and amortisation)</b>	<b>84.8</b>	<b>99.7</b>
Depreciation, amortisation and impairment losses	(31.7)	(32.4)
<b>EBIT (Earnings before interest and tax)</b>	<b>53.2</b>	<b>67.3</b>
<b>Net financial result</b>	<b>2.4</b>	<b>(23.0)</b>
<b>Earnings before tax</b>	<b>55.5</b>	<b>44.3</b>
Income taxes	(15.6)	(14.9)
<b>Earnings after tax</b>	<b>40.0</b>	<b>29.5</b>
<b>Earnings per share (EUR)</b>	<b>0.40</b>	<b>0.28</b>

# Balance Sheet

<b>Assets</b>	12/31/2015	06/30/2016
(EUR millions)		
<b>Current assets</b>	<b>117.7</b>	<b>104.6</b>
Cash and cash equivalents	70.6	56.4
Trade receivables	37.8	38.7
Financial assets	0.3	0.2
Income tax receivables	0.3	0.2
Other assets	8.6	9.1
<b>Non-current assets</b>	<b>2,055.5</b>	<b>2,060.5</b>
Goodwill	787.3	816.2
Trademarks	983.7	983.7
Other intangible assets	259.5	239.3
Property, plant and equipment	13.0	11.2
Investments accounted for using the equity method	1.6	1.6
Financial assets	0.8	0.5
Deferred tax assets	6.7	5.2
Other assets	2.9	2.7
<b>Total assets</b>	<b>2,173.2</b>	<b>2,165.0</b>



# Balance Sheet

## Equity and liabilities

(EUR millions)

	12/31/2015	06/30/2016
<b>Current liabilities</b>	<b>86.9</b>	<b>86.5</b>
Trade payables	25.6	18.4
Financial liabilities	6.0	5.8
Other provisions	4.7	4.4
Income tax liabilities	15.3	27.7
Other liabilities	35.3	30.2
<b>Non-current liabilities</b>	<b>1,165.0</b>	<b>1,125.5</b>
Financial liabilities	767.9	735.2
Pensions and similar obligations	0.5	0.5
Other provisions	0.9	0.6
Income tax liabilities	0.0	0.0
Deferred tax liabilities	393.0	386.2
Other liabilities	2.7	3.0
<b>Equity</b>	<b>921.3</b>	<b>953.0</b>
Subscribed share capital	107.6	107.6
Capital reserve	424.1	426.3
Retained earnings	387.8	417.5
Other reserves	1.1	1.1
<b>Equity attributable to shareholders of parent company</b>	<b>920.6</b>	<b>952.5</b>
<b>Non-controlling interests</b>	<b>0.7</b>	<b>0.5</b>
<b>Total assets</b>	<b>2,173.2</b>	<b>2,165.0</b>

# Cash Flow Statement

(in €m)	01/01/15 - 06/30/15	01/01/16 - 06/30/16
<b>Earnings after tax</b>	<b>40.0</b>	<b>29.5</b>
Depreciation, amortisation and impairment losses	31.7	32.4
Income tax expense/(income)	15.6	14.9
Financial expenses/(income)	18.9	23.0
Result from investments/ (disposals of) accounted for using the equity method	(21.3)	0.0
Result on disposal of intangible assets and property, plant and equipment	0.0	(0.0)
Other non-cash transactions	(11.9)	(11.7)
Income taxes paid	(1.3)	(7.6)
<b>Cash flow from operating activities</b>	<b>71.7</b>	<b>80.5</b>
Payments made to acquire subsidiaries	(5.6)	(29.5)
Proceeds from disposal of equity accounted investments	59.7	-
other cash flow from investing activities	(5.8)	(9.4)
<b>Cash flow from investing activities</b>	<b>48.4</b>	<b>(38.8)</b>
Drawing down of financial liabilities	400.0	-
Repayment of financial liabilities	(50.2)	(40.1)
Borrowing costs	(7.7)	-
Interest paid	(17.4)	(15.8)
Dividends paid	(421.6)	-
<b>Cash flow from financing activities</b>	<b>(96.9)</b>	<b>(55.9)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	0.2	(0.0)
<b>Change in cash and cash equivalents</b>	<b>23.4</b>	<b>(14.3)</b>
<b>Cash and cash equivalents at start of period</b>	<b>21.4</b>	<b>70.6</b>
<b>Cash and cash equivalents at end of period</b>	<b>44.8</b>	<b>56.4</b>

# IR Contact details and financial calendar

## Investor Relations Contact



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## Financial Calendar (expected)

Wednesday  
9 November 2016

Nine Months and Q3 statement

<http://www.scout24.com/en/Investor-Relations.aspx>

Full year report  
[report.scout24.com/2015](http://report.scout24.com/2015)