

## Scout24 after Q3 2020 well on track to achieve its full-year guidance

- Growth investments stepped up again: Multi-channel marketing campaign started, product enhancements implemented, and new products launched
- Q3 Group revenues increased by 1 % year-on-year to EUR 89.6 million
- Residential Real Estate business remains strongest growth driver with 3.3 % revenue growth despite continued “free-to-list” initiative

Munich/Berlin, 11 November 2020

Scout24 Group's business model is proving to be resilient and robust during the Covid-19 pandemic. In Q3 2020, Group revenues rose by 1.0 % year-on-year to EUR 89.6 million (Q3 2019: EUR 88.7 million). Scout24 was able to achieve this revenue growth although the “free-to-list” initiative for private listers was maintained and the 3<sup>rd</sup> party advertising business continued to decline. On a nine-month basis, Group revenues were also up 1.0 %, from EUR 260 million to EUR 262.6 million. Therefore, the Company is well on track to achieve its guidance, formulated in August 2020, of almost stable full-year revenues.

At the same time, in the third quarter, the originally planned growth investments were stepped up again. This is reflected in higher marketing expenses and in a slightly lower Q3 ordinary operating EBITDA margin of 58.2 % (Q3 2019: 58.7 %). For the nine-month period, the margin increased to 60 % (9M 2019: 59.2 %), which is also in line with the annual forecast.

### KEY FINANCIALS GROUP

(EUR million)	Q3 2020	Q2 2019 <sup>1</sup>	Change	9M 2020	9M 2019 <sup>1</sup>	Change
Group revenue	89.6	88.7	+1.0 %	262.6	260.0	+1.0 %
Ordinary operating EBITDA	52.2	52.0	+0.3 %	157.6	153.9	+2.4 %
Ordinary operating EBITDA margin	58.2 %	58.7 %	-0.5 Pp	60.0 %	59.2 %	+0.8 Pp

<sup>1</sup> In accordance with IFRS 5, the previous year's figures were retrospectively adjusted for discontinued operations.

*“The demand for residential real estate remains intact even in times of Covid-19. Nevertheless, the current operational challenges are pushing us even more to make real estate transactions easier and more digital. Accordingly, we have invested strongly in enhancing and expanding our product portfolio in the past quarter. In addition, since mid-September we are supporting our real estate partners with a nationwide marketing campaign that will continue until mid-November. With all these measures we are driving the future growth of our market network and our future revenue potential,”* comments Tobias Hartmann, CEO of Scout24 AG.

*“The Scout24 business has developed well in the first nine months of the year despite the Covid-19 pandemic. We used this environment to step up the growth investments into our platform in the third quarter. The continued performance of our business is also marked by the almost 9 % increase in operating cash flow, which has now reached almost 100 million Euros in nine months. Based on these strong results in a challenging environment, we remain confident that we will reach our forecast for the full year,”* explains Dirk Schmelzer, CFO of Scout24 AG.

## **Residential Real Estate business very robust despite "free-to-list"**

With 72 %, the Residential Real Estate business made the largest contribution to the total revenues of ImmoScout24 in the third quarter of 2020 (Q3 2019: 71 %). This segment proved to be the most resilient, particularly due to contractually secured sales with real estate agents during the Covid-19 crisis. Segment revenues increased by 3.3 % in Q3 2020 from EUR 62.9 million to EUR 64.9 million.

Revenues from professional customers, i. e. real estate agents, property managers and finance customers (banks and savings banks), were up by a strong 5.7 % in the third quarter, while revenues with private customers were down 1.6 %. This decline is due to foregone revenues resulting from the free listing initiative for private listers, which could only be partially compensated by increasing consumer subscription revenues.

In the third quarter of 2020, growth initiatives originally planned earlier in the year were resumed. This includes the marketing campaign postponed to this quarter, as well as performance marketing activities, for example for the "Realtor Lead Engine" product and consumer products. This led to a two-percentage point lower residential real estate EBITDA margin from ordinary activities of 61.4 % in Q3 2020.

During Q3 2020, the number of customers continued to grow. Compared to the previous year, 1,054 core customers (agents, property managers and finance customers) were acquired. Accordingly, the number of Residential Real Estate Partners as of 30 September 2020 totalled 17,216. ARPU for the third quarter was EUR 703 (Q1 2020: EUR 729; Q2 2020: EUR 690), 21 % lower than in Q3 2019, but 1.9 % higher than in the previous quarter Q2 2020, which was more heavily impacted by Covid-19.

## **Business Real Estate customers more cautious in Q3 than in previous year**

The Business Real Estate segment accounted for 19 % of the external revenues of ImmoScout24 in the third quarter of 2020 (Q3 2019: 20 %). Business Real Estate revenues showed slight growth in the first nine months of the year, but slightly decreased by 1.5 % to EUR 171 million in the third quarter of 2020 (Q3 2019: EUR 173 million). Contractually secured revenues from Business Real Estate agents were up. Revenues from project developers showed a declining trend due to a lower number of projects and the partial booking of lower-priced packages by project developers.

The ordinary operating EBITDA margin of the Business Real Estate segment remained almost stable year-on-year (Q3 2020: 69.6 %; Q3 2019: 69.7 %).

The number of Business Real Estate partners was relatively flat at 2,789 as of September 30, 2020 (Q3 2019: 2,801). ARPU for the third quarter was EUR 1,715, 2.6 % lower than in the previous year. This decrease is primarily due to lower revenues with project developers.

## **Media & Other segment with lower revenues and margin primarily due to declining advertising business**

The share of Media & Other revenues in the total revenues of ImmoScout24 continued to decline, primarily due to the market and Covid-19-related downturn in the advertising business. In absolute terms, Media & Other segment revenues decreased by 10.4 % from EUR 8.5 million in Q3 2019 to EUR 7.6 million in Q3 2020. The subsidiary FLOWFACT recorded declining revenues due to the change from a license payment model to a "software as a service" model. In September, FLOWFACT presented its new product world for real estate agents. This consists of three different packages depending on customer size. Clients who are also ImmoScout24 clients benefit from various advantages. Despite the Covid-19 crisis, ImmoScout24 Austria showed above-average growth of 5.5 % in a quarterly comparison.

The ordinary operating EBITDA margin of the Media & Other segment fell by 8 percentage points from 46.6 % in Q3 2019 to 38.6 % in Q3 2020.

**FINANCIALS AT A GLANCE**

EUR million	Q3 2020	Q3 2019 <sup>1</sup>	Change	9M 2020	9M 2019 <sup>1</sup>	Change
Group revenue	89.6	88.7	+1.0 %	262.6	260.0	+1.0 %
Ordinary operating EBITDA <sup>2</sup> (including group functions/consolidation/other)	52.2	52.0	+0.3 %	157.6	153.9	+2.4 %
<i>Ordinary operating EBITDA margin<sup>3</sup> in %</i>	<i>58.2 %</i>	<i>58.7 %</i>	<i>-0.5 Pp</i>	<i>60.0 %</i>	<i>59.2 %</i>	<i>+0.8 Pp</i>
EBITDA	44.1	43.8	+0.7 %	140.5	117.3	+19.8 %
Earnings per share (basic, continuing operations)	0.20	0.16	+25.0 %	0.63	0.41	+53.7 %
External revenue of ImmoScout24	89.6	88.7	+1.1 %	262.5	259.9	+1.0 %
thereof Residential Real Estate	64.9	62.9	+3.3 %	188.2	182.9	+2.9 %
thereof Residential Real Estate Partners	45.0	42.6	+5.7 %	129.9	123.1	+5.6 %
thereof Consumers	19.9	20.3	-1.6 %	58.3	59.8	-2.6 %
thereof Business Real Estate	17.1	17.3	-1.5 %	51.6	51.4	+0.5 %
thereof Media & Other	7.6	8.5	-10.4 %	22.7	25.6	-11.6 %
Ordinary operating EBITDA <sup>2</sup> (without group functions/consolidation/other)	54.7	55.9	-2.2 %	165.1	161.4	+2.3 %
thereof Residential Real Estate	39.8	39.9	-0.1 %	119.3	115.3	+3.5 %
thereof Business Real Estate	11.9	12.1	-1.5 %	36.8	35.3	+4.2 %
thereof Media & Other	2.9	4.0	-25.7 %	9.0	10.8	-16.5 %
<i>Ordinary operating EBITDA margin<sup>3</sup> in %</i>	<i>61.0 %</i>	<i>63.0 %</i>	<i>-2.0 Pp</i>	<i>62.9 %</i>	<i>62.1 %</i>	<i>+0.8 Pp</i>
<i>thereof Residential Real Estate</i>	<i>61.4 %</i>	<i>63.4 %</i>	<i>-2.0 Pp</i>	<i>63.4 %</i>	<i>63.0 %</i>	<i>+0.4 Pp</i>
<i>thereof Business Real Estate</i>	<i>69.6 %</i>	<i>69.7 %</i>	<i>-0.1 Pp</i>	<i>71.3 %</i>	<i>68.7 %</i>	<i>+2.6 Pp</i>
<i>thereof Media &amp; Other</i>	<i>38.6 %</i>	<i>46.6 %</i>	<i>-8.0 Pp</i>	<i>39.8 %</i>	<i>42.2 %</i>	<i>-2.4 Pp</i>
Own work capitalised	5.3	4.0	+34.2 %	16.1	9.9	+63.8 %
<i>Own work capitalised as % of revenue</i>	<i>5.9 %</i>	<i>4.5 %</i>	<i>+1.4 Pp</i>	<i>6.1 %</i>	<i>3.8 %</i>	<i>+2.3 Pp</i>

**NON-FINANCIAL PERFORMANCE INDICATORS**

IS24.de listings <sup>4</sup>	422,563	432,870	-2.4 %	420,464	438,124	-4.0 %
IS24.de monthly users (million) <sup>5</sup>	13.9	13.8	+0.2 %	14.5	13.4	+8.0 %
IS24.de monthly sessions (million) <sup>6</sup>	99.4	96.0	+3.5 %	106.9	95.9	+11.5 %

1 In accordance with IFRS 5, the previous year's figures were retrospectively adjusted for discontinued operations.

2 Ordinary operating EBITDA refers to EBITDA adjusted for non-operating effects, which mainly include expenses for share-based payments, M&A activities (realised and unrealised), reorganisation, strategic projects and other non-operating effects.

3 The ordinary operating EBITDA margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenue.

4 Source: ImmoScout24.de core data; listings in Germany (average as of the end of the month)

5 Unique monthly visitors to ImmoScout24.de (average of the individual months), irrespective of how often they visit the market place during the month and irrespective of how many different platforms (desktop and mobile) they use; Source: AGOF e. V.

6 Number of all monthly visits (average of the individual months) in which individual users interact with the website or app via a device; a visit is considered completed if the user is inactive for 30 minutes or more; source: internal measurement using Google Analytics

## Earnings after tax increase stronger than ordinary operating EBITDA

While Group ordinary operating EBITDA rose disproportionately to revenues by 2.4 % in a nine-month comparison, particularly due to growth investments in the form of higher own work capitalized and the cost-cutting measures introduced at short notice in the second quarter, it remained almost stable in the third quarter (Q3 2020: EUR 52.2 million; Q3 2019: EUR 52.0 million). Excluding Group functions/consolidation/other from costs, the ordinary operating EBITDA margin for ImmoScout24 (all three segments combined) was 61.0 % for Q3 2020 (Q3 2019: 63.0 %).

The Group's unadjusted EBITDA rose by 0.7 % in Q3 2020, from EUR 43.8 million to EUR 44.1 million. On a nine-month comparison, it rose by 19.8 % to EUR 140.5 million. This was primarily due to significantly lower personnel expenses from share-based compensation in the first half of 2020 and lower M&A costs.

Earnings after tax for the third quarter improved by 21.3 % from EUR 16.9 million to EUR 20.5 million. These figures relate to the Scout24 Group's continuing operations. The change was mainly due to an improved financial result. Based on a volume-weighted average number of shares of 101,518,276, this results in (undiluted) earnings per share of EUR 0.20 in Q3 2020 (Q3 2019: EUR 0.16; number of shares: 107,406,596). In the nine-month comparison, earnings from continuing operations after tax increased by 46.4 % to EUR 64.7 million due to the aforementioned cost effects. Earnings per share was EUR 0.63 in 9M 2020 compared to EUR 0.41 in 9M 2019 (number of shares: 103,329,162 and 107,534,824, respectively).

Including the after-tax result of discontinued operations – including the capital gain from the AutoScout24 transaction – earnings per share for the shareholders of the parent company amounted to EUR 0.19 for Q3 2020 (Q3 2019: EUR 0.32) and EUR 22.44 for 9M 2020 (9M 2019: EUR 0.80).

## Full-year outlook confirmed subject to COVID-19 impact

The business development and the results of the third quarter are in line with the Management Board's expectations. The month of October developed largely according to plan, too. Therefore, despite the currently strong resurgence in Covid-19 infection numbers and the "lockdown light" measures announced by the German government for November, the Management Board confirms its outlook for the full year 2020 as formulated in the half-year report on 13 August 2020.

Thus, the Management Board expects Group revenues for the financial year 2020 to be roughly on par with the previous year and the Group's ordinary operating EBITDA margin to reach around 60 %.

The Management Board expects an aggregate EBITDA margin for all three segments (ImmoScout24; excluding central group functions/consolidation/other) of around 62 %.

For a detailed forecast and the underlying assumptions, please refer to the Half-Year Financial Report 2020, which is available on the company website at [www.scout24.com/en/investors/financial-reports-presentations](http://www.scout24.com/en/investors/financial-reports-presentations).

One of the underlying assumptions is that there will be no new Covid-19 "lockdown" measures, which significantly influence the ImmoScout24 business with its customers and users. ImmoScout24 is being used more and more frequently, among other things due to improved and new digital products, as the traffic figures described in this release show. The further rise in residential real estate prices in the third quarter shows that rental and purchase transactions continue to take place in this market. The commercial real estate market is hit harder by the Covid-19 pandemic both short- and medium term. The Management Board expects this to have only minor impacts on the outlook for the current financial year.

## Quarterly statement Q3 2020

The complete Q3 2020 quarterly statement is available at [www.scout24.com/en/investors/financial-reports-presentations](http://www.scout24.com/en/investors/financial-reports-presentations).

## Conference call

On 11 November 2020 at 15:00 CET, Scout24 will hold a webcast and conference call on the Q3 2020 financial results.

Link to the live webcast (without telephone dial-in) <https://webcasts.eqs.com/scout20201111>

Financial analysts and investors can dial into the conference call using the following dial-in numbers:

DE: +49 69 2222 2018

UK: +44 330 336 9411

USA: +1 929-477-0324

Participant code: 2944174

Phone conference participants can view the presentation slides live by clicking on the following link:

<https://webcasts.eqs.com/scout20201111/no-audio>

The replay of the conference is available at <https://webcasts.eqs.com/scout20201111>

## Next reporting dates

Scout24 plans to publish the results for the 2020 financial year on Thursday, 25 March 2021.

## About Scout24

Scout24 is one of the leading digital companies in Germany. With ImmoScout24, an online platform for residential and commercial real estate, we successfully bring together owners, realtors, tenants, and buyers to make complex decisions easy – and we have been doing so for more than 20 years. With around 14.5 million users per month, ImmoScout24 is the market leader for digital real estate marketing and search. To digitize the process of real estate transactions, ImmoScout24 is continually developing new products and building up an ecosystem for renting, buying, and commercial real estate in Germany. Scout24 is a listed stock corporation (ISIN: DE000A12DM80, Ticker: G24) and member of the MDAX. Further information is available on Twitter and LinkedIn. Since 2012, ImmoScout24 has also been active in the Austrian real estate market, reaching around 3 million users monthly.

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*Scout24 also uses alternative performance measures, not defined by IFRS, to describe the Scout24 Group's results of operations. These should not be viewed in isolation, but treated as supplementary information. The special items used to calculate some alternative performance measures arise from the integration of acquired businesses, restructuring measures, impairments, gains or losses resulting from divestitures and sales of shareholdings, and other expenses and income that generally do not arise in conjunction with Scout24's ordinary business activities. Alternative performance measures used by Scout24 are defined in the "Glossary" section of Scout24's Group Management Report 2019 which is available at [www.scout24.com/financial-reports](http://www.scout24.com/financial-reports).*

*Due to rounding, numbers presented throughout this statement may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason. Information on the quarterly financials has not been subject to audit and is thus preliminary.*