

# Analyst Day 2020

Selected slides  
for Deutsche Bank  
Investor Roadshow



3 December 2020

Scout24

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# Virtual Analyst Day 2020

How and where we are steering the company

# 2020 will go down as one of the more eventful years in Scout24 history

## Ecosystem strategy



Singular focus on real estate, brought journey model to life, moved into mandate acquisition TAM

## COVID-19 pandemic



Successfully managed the COVID-19 pandemic, which acted as a catalyst for product roll-out

## Product pipeline



Focused on innovative high growth products complementing core listings offering

## Branding and marketing



Successfully managed award-winning redesign and launched multi-channel media campaign

## Capital allocation



Launched massive capital return package (closed two buyback tranches in 2020)

## Shareholder value creation



Significant share price increase with 23% total shareholder return since CMD 2019 (as of 30-Nov)

# With the CMD in the rear mirror – how does our scorecard look like ?

## CMD 2019 objectives

Strengthening our presence in private listings

Drive number of agents, ARPU and OTP penetration

Building comprehensive ecosystem for sale and rent

Maintaining our #1 market position in German real estate classifieds

## What we delivered in 2020 (growth rates vs. 2019)



Private listings

**+53%**

**New private listings<sup>1</sup>**  
September yoy



Agents

**+5.5%**

**Increase in number of residential and business partners** 30-Sep  
2020: 20,005; 30-Sep 2019: 18,963;



Homeowner leads

**+51%**

**Increase in revenue from realtor lead engine** 9M 2020: €11.3m vs. 9M 2019: €7.5m



Market leader

**1.9x**

**Listing advantage<sup>2</sup> to #2**  
September 2020



1) New private listings on IS24 at the end of the day on the last Thursday of the month; a listing is new if it does not exist 8 days ago on the portal

2) IS24 core data and IS24 competitor database

# We reacted promptly on handling COVID-19 – and developed practices that are there to stay

## Immediate action programme

Survive

Prevent

Accelerate

## Measures

### **Liquidity Plus**

All professional customers were granted a nine-month extension of payment for the April & May invoices

### **Listings Plus**

Private listings could be advertised free of charge for 4 weeks starting on 27 March 2020

### **Leads Plus**

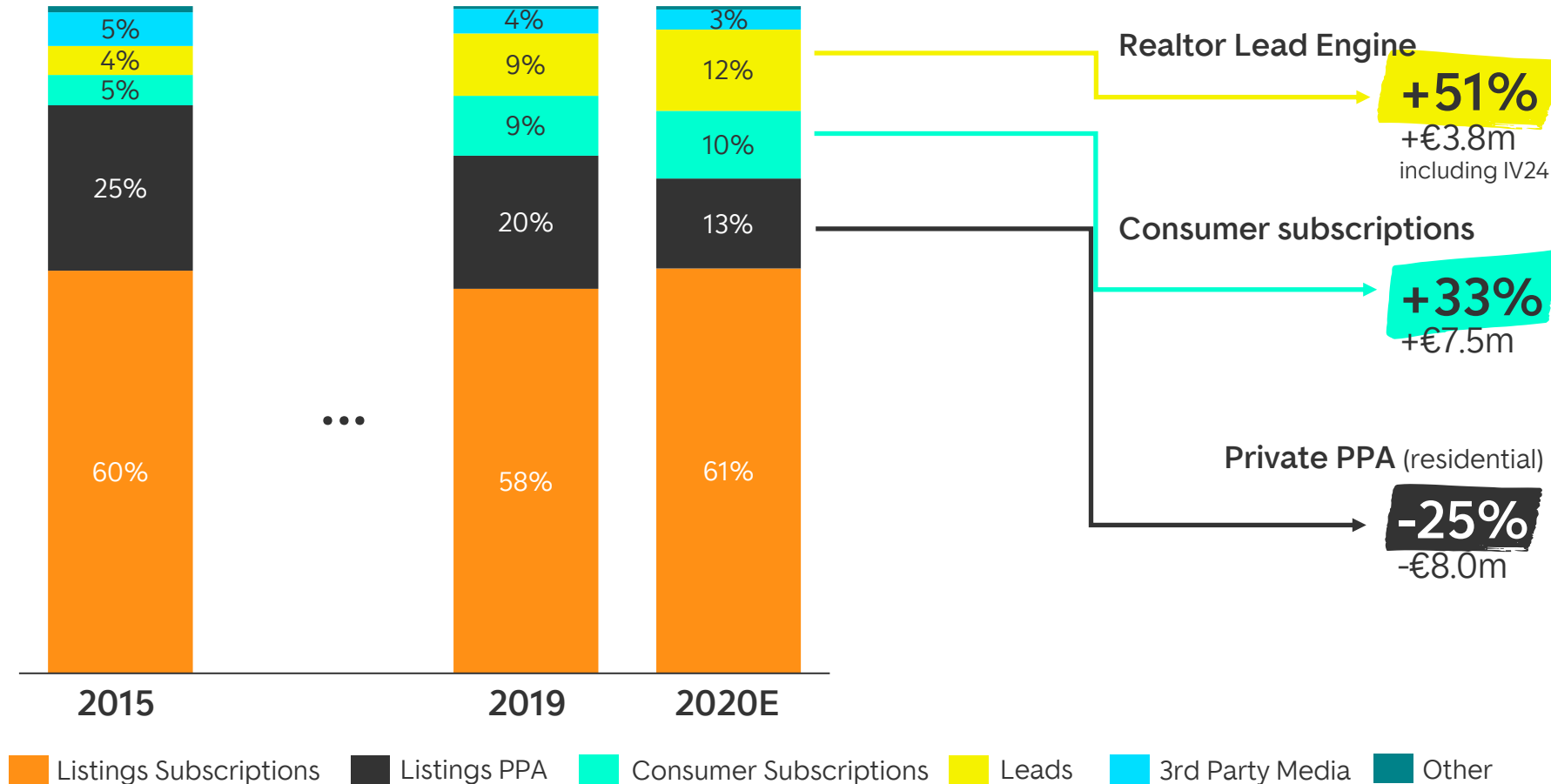
IS24 made free mandate acquisition leads available to agent customers when the situation improved

## Long-term Impact

- Strengthened partnership
- Increased commitment
- Shift from listing monetisation focus towards transaction focus
- Additional acquisition lead channel for agents
- Accelerating mandate acquisition
- Increased acceptance of “digital farming”

# Our transition towards full transaction monetisation is working: from Classifieds to Ecosystem!

Breakdown of ImmobilienScout24 revenue streams (without Austria, without FLOWFACT)



- ✓ Strengthening the recurring B2B business
- ✓ Monetising high growth products (e.g. “Plus+” consumer products, RLE) to complement the core listings product
- ✓ Negligible contribution from advertising business

# We remain committed to long term shareholder value creation

## Profitable growth

- The best positioned online classifieds platform in Europe
- On track to transition to fully monetising the transaction
  - TAM expansion (e.g. mandate acquisition, mortgage business)
  - Accelerate product rollout in 2021 (e.g. Plus+ products, RLE)



## Value accretive capital allocation

- Continued focus and reinvestment into growth
- Massive capital return programme underway
- Attractive dividend policy remains in place
- Open to value accretive M&A opportunities



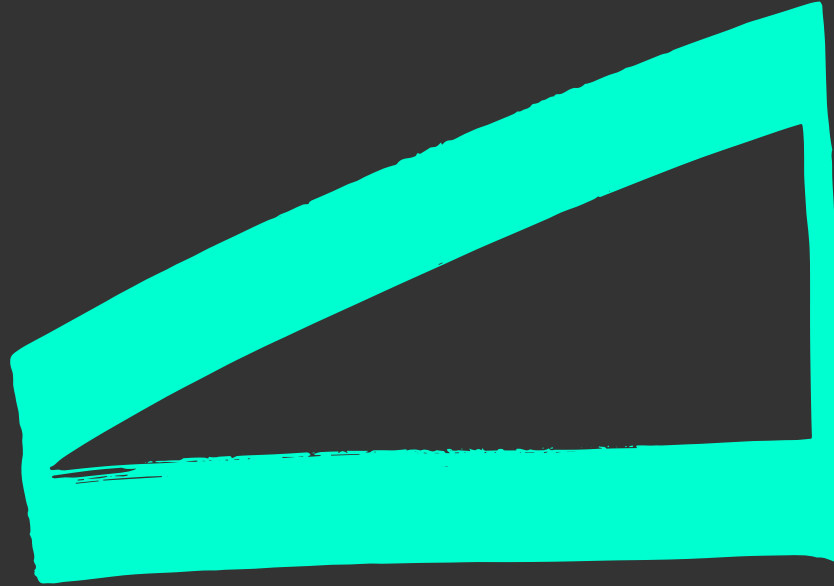
**Sustainable competitive advantage**



**Attractive total shareholder return**

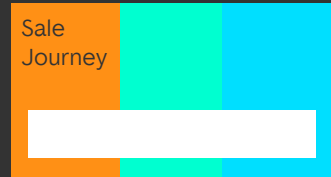


# Virtual Analyst Day 2020



Building the ecosystem  
for German real estate:  
product and sales perspective

# We are migrating our residential agents into a fair and consistent price / product system aiming at ARPU increases



**~35%**

of migration target reached

<p><b>Oct-19</b></p> <p><b>~76%</b> Agents<sup>1</sup> subscribed</p> <p><b>~€550</b> Monthly ARPU<sup>2</sup></p>	<p><b>Oct-20</b></p> <p><b>~60%</b> Agents<sup>1</sup> subscribed</p> <p><b>~€480</b> Monthly ARPU<sup>2</sup></p>
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Essential tools for agents to connect with consumers

**Base Edition**  
+ comparable legacy memberships<sup>3</sup>

<p><b>Oct-19</b></p> <p><b>~24%</b> Agents<sup>1</sup> subscribed</p> <p><b>~€800</b> Monthly ARPU<sup>2</sup></p>	<p><b>Oct-20</b></p> <p><b>~35%</b> Agents<sup>1</sup> subscribed</p> <p><b>~€770</b> Monthly ARPU<sup>2</sup></p>
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+ Maximize the listings' visibility to compete in small markets

incl. Base Edition

**Image Edition**  
+ comparable legacy memberships<sup>4</sup>

<p><b>Oct-19</b></p> <p><b>Pre-Launch</b></p> <p><b>~€1,100</b> Monthly ARPU<sup>2</sup></p>	<p><b>Oct-20</b></p> <p><b>~5%</b> Agents<sup>1</sup> subscribed</p> <p><b>~€1,330</b> Monthly ARPU<sup>2</sup></p>
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+ Take full advantage of platform to market own agency business, to acquire new mandates and to compete in heated markets

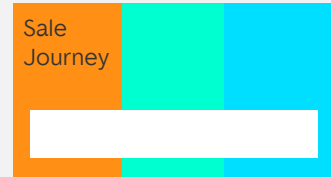
incl. Image Edition

**Acquisition Edition**

1. ~13,300 Residential Agents (for Oct-20 including finance partners) without property managers
2. Membership contract ARPU only, excluding revenues from additional value added services
3. Including all other legacy memberships except those under 4
4. Including legacy memberships MY5 + Top List All

# We are helping **agents** to prepare for the changes of upcoming Bestellerprinzip

Commission reality  
for private sellers  
starting 2021



## 1. Guidance on obligations

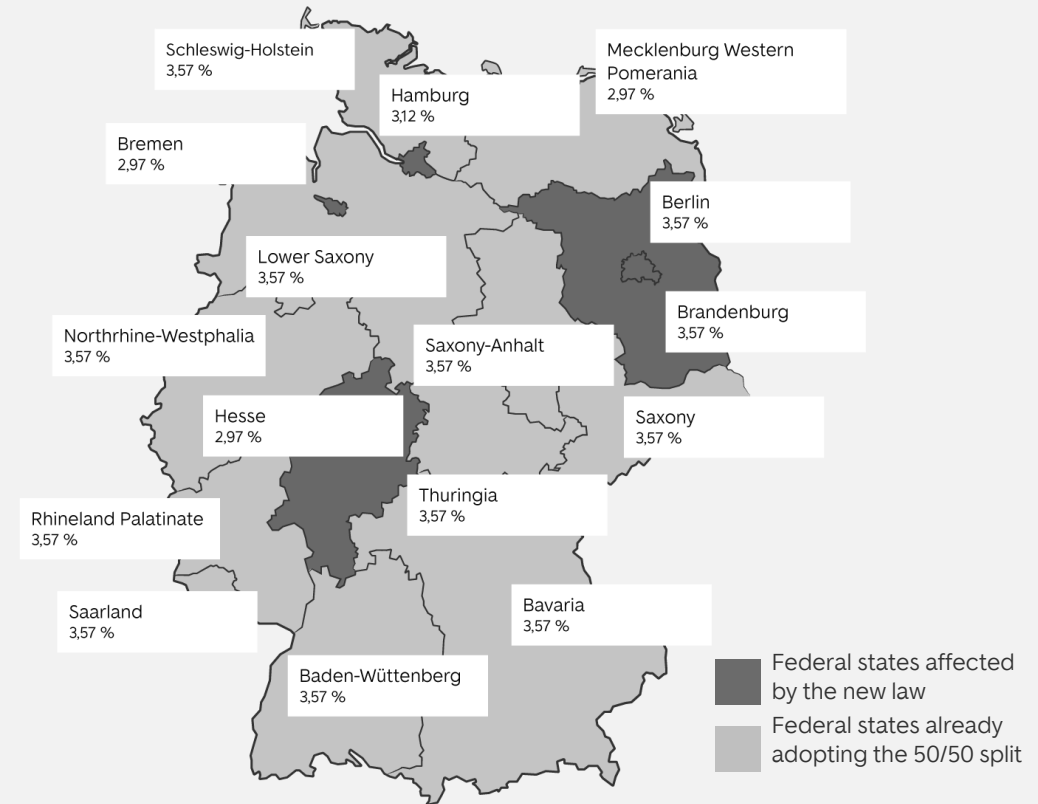
- **ImmoCheck:** Tool to verify effects of the new law on agents property transactions
- **Expert webinar series:** Providing legal guidance and orientation; attended (to date) by over 2,000 customers

## 2. Make it easy to comply

- **Buyers contracts online:** Digital solution obtains legal consent from buyers to pay sale commission
- Integrated into the enquiry form for sale (December 2020)

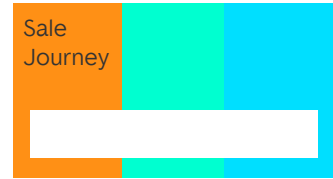
## 3. Help on winning mandates

- **Profi Report:** Increase usage and awareness of the Profi Report (“win mandate”) tool-kit amongst customers
- **Acquisition training:** Webinar series training customers on the use of IS24 product that drive the acquisition funnel



The affected 5 federal states account for c. 20% of the residential real estate market (transactions / Gewos; listings / IS24) and c. 25% of the IS24 residential agent revenue

# We expand the home selling journey as more homeowners go online strengthening our position in mandate acquisition



1

Homeowners browse [price atlas](#) to get price indication for comparable objects



2

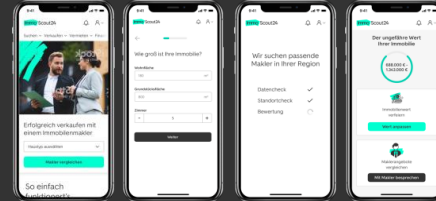
Homeowners join [Homeseller Hub](#) and enter details of their property

>440k (end of Sep) registered homeowners willing to sell

- ✓ Get regular alerts from Home-sellerHub on property prices
- ✓ Many give marketing consent to be contacted by agents

3

IS24 Realtor Lead Engine plus IV24 offer: providing homeowner leads to relevant agents



4

Thanks to real estate agent & digital tools, properties are sold at attractive prices



Provided ~900 homeowner leads to agents for free in Q2 under Covid-19 support “Leads Plus”



Lead generation accelerated in Q3 by joining forces with [immoverkauf24](#) becoming the distinct #1 in homeowner traffic and leads

IS24 + IV24 in Q3 2020 =  
**>14,000**  
 leads sold to agents and  
**>€5m**  
 of RLE revenues

**Value creation programme** underway:

- Customer exchange and upgrade plan
- Lead delivery exchange optimisation to improve monetisation and scaling

# We are making good progress with private landlords to fully digitise the rental journey



## Increased digitisation

Rental contracts can be signed digitally via IS24 (documents created digitally grew by 50% from May to Oct)

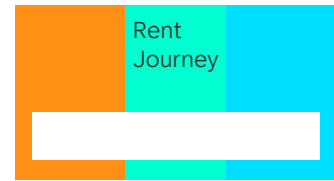
Next step: digitise **sharing of application** documents



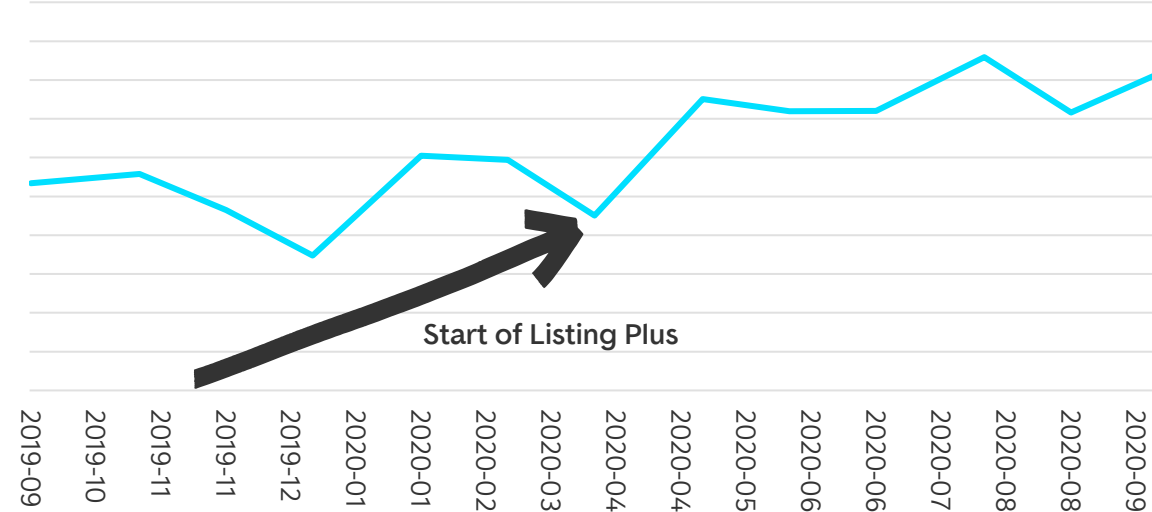
## Focus areas

Drive market penetration and product value in low demand regions

Provide product-market-fit for digital landlord subscriptions and grow objects under management



New private listings\* (sale + rent)

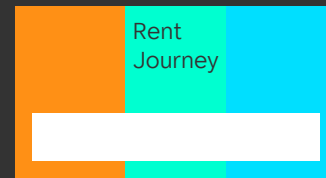


\*) New listings on IS24 at the end of the day on the last Thursday of the month; a listing is new if it does not exist 8 days ago on the portal

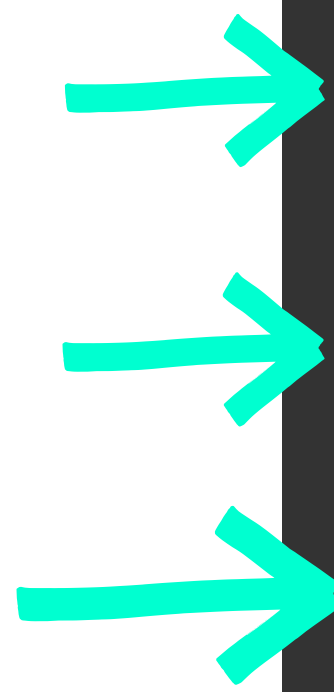
# ~4,300

VermieterPlus+ (private landlord) subscriptions as of 30-Sep 2020

# We saw a significant uptake of the MieterPlus<sup>+</sup> product for Consumers following the free-to-list initiative



- + Terms of the MieterPlus<sup>+</sup> membership: 3-12 months
- + Includes **profile details** and an individual description of the reasons and criteria for the search
- + Includes **exclusive features** such as: Check-your-chances, exclusive listings, viewings planner, deposit guarantee, emergency key service and tenancy law consulting
- + **Credit score “SCHUFA-BonitätsCheck”** ordered directly via IS24
- + IS24 uses online bank statements to create certified **proofs of rent payments and income**
- + All digital documents are combined into a standardised **application portfolio** from IS24



> **165,000**

Rental apartment listings

~ **130,000**

MieterPlus<sup>+</sup> members  
as of 30-Sep 2020 (+74% yoy)

~ **20€**

MieterPlus<sup>+</sup> monthly ARPU

~ **30m€**

9M 2020 total consumer  
subscription revenues (+33% yoy)

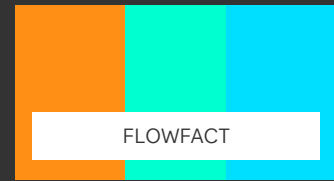
# FLOWFACT is key to our ecosystem strategy driving recurring agent revenues, customer engagement and digital sales

FLOWFACT is one of the leading real estate CRM software players in Germany

- The most modern SaaS CRM solution in the market
- Migration of customers from the legacy on-premise solution ongoing

Agent CRM software is a natural extension of the IS24 ecosystem

- By providing seamless product- and reporting integration we get closer to the customer and drive engagement with IS24
- The natural platform to implement **digital sales functionality** and further extend the ImmoScout24 ecosystem (e.g. **mortgage business**)
- CRM software can generate unparalleled customer insights on the objects in marketing phase and closed real estate transactions



>3.7k

FLOWFACT customers

~66%

of ImmoScout24 B2B customers upload listings via CRM software

# Key focus areas as we head into 2021

## Sale Journey

- Drive **ARPU growth** via membership migration, upgrades and OTP
- Reinforced **listing initiatives**
- Continued **customer growth**
- Enhance realtor leads product and **scale mandate acquisition**

## Rent Journey

- Couple **private listings increase** with accelerated **MieterPlus+** monetisation
- Scaling new memberships for **property managers**
- New features and additional services for **VermieterPlus+**

## Dev-Com Journey


- Monetise **new product editions** for Dev-Com, sector hardest hit by COVID-19
- Capturing **TAM potential** (extended customer and lifecycle focus)
- Support product set with **ad space**

## FLOWFACT

- Increase customer **stickiness**
- Accelerate **digitisation**
- Move deeper into the **mortgage TAM**

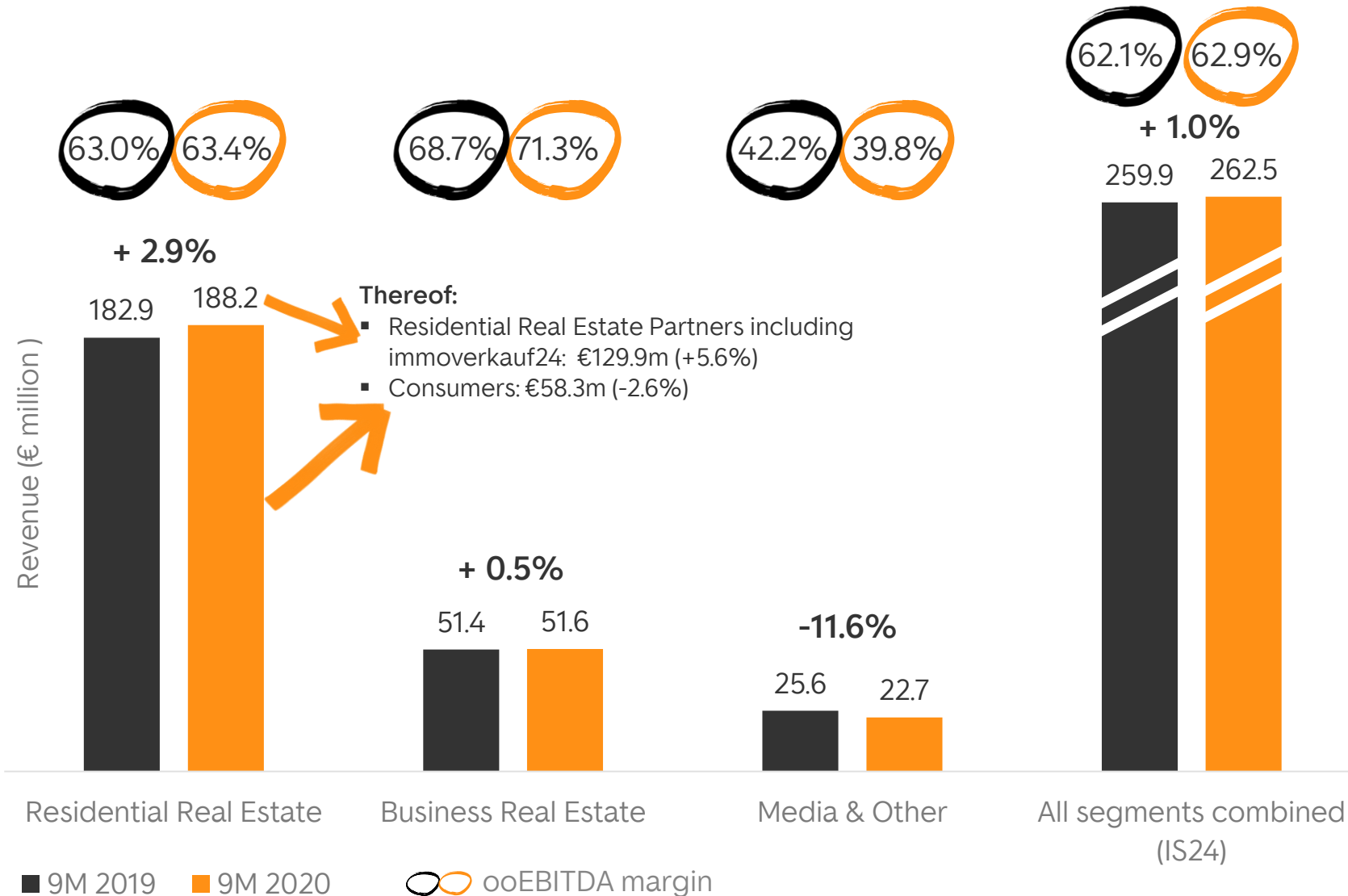


# Virtual Analyst Day 2020



Translating strategy  
into value creation

# Despite the “lockdown light”, we are on track to reach full year guidance



## 2020 Group revenue guidance




“around FY 2019 level”  
(which was €349.7m)

**Residential:** “stable to slight growth”  
**Business:** “slightly decreasing to stable”  
**Media & Other:** “low teens % decrease”

## 2020 ooEBITDA guidance

IS24: “around 62%”  
Group: “around 60%”

# With our 2021 initiatives within the different journeys, revenue growth will step up again, while uncertainty due to COVID-19 prevails

	Tailwinds	Areas of caution	2021E
Residential Real Estate	<ul style="list-style-type: none"> <li>• Agent customer growth</li> <li>• Focus on agent listing initiatives underway</li> <li>• Sales agent migration continued and upgrades resumed</li> <li>• Enhanced realtor leads product (incl. immoverkauf24)</li> <li>• New membership roll-out for property managers</li> <li>• Revenues from fenced features within free listings</li> <li>• Strong demand for consumer subscriptions (MieterPlus+)</li> <li>• New consumer subscriptions (KäuferPlus+, VermieterPlus+)</li> </ul>	<ul style="list-style-type: none"> <li>• Limited spill-over benefits (due to COVID-19 months without price increases)</li> <li>• Focus on customer retention and satisfaction during pandemic</li> <li>• Foregone revenues due to planned free-listing initiative</li> </ul>	
Business Real Estate	<ul style="list-style-type: none"> <li>• Extended and enhanced product sets / new editions</li> <li>• Moving into larger TAMs (commercial sale market, new customer groups, extended developer lifecycle)</li> <li>• Sub-leases potentially triggering listings</li> </ul>	<ul style="list-style-type: none"> <li>• Soft macro-outlook due to pandemic-induced uncertainty</li> <li>• Softness in construction volumes</li> <li>• Reduced developers' marketing spend / stronger value differentiation</li> </ul>	
Media & Other	<ul style="list-style-type: none"> <li>• FLOWFACT integration</li> <li>• Growth of IS24 Austria</li> <li>• Shift towards inhouse-agency revenues</li> </ul>	<ul style="list-style-type: none"> <li>• De-prioritising 3<sup>rd</sup> party ad sales business</li> </ul>	

# We optimised our structural costs - creating room for growth investments



## Scaling effects

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- ✓ Increasing revenues (esp. strongly growing realtor leads and consumer subscription revenues)
- ✓ “GSD” **structural cost savings** delivered for “new” Scout24 Group:
  - **Sales:** mainly from reorganisation of teams
  - **Tech:** efficiency gains on infrastructure as a service
  - **Marketing:** efficiency improvement for affiliate spend and review of agency cooperation

## Growth investments – balancing growth and margins

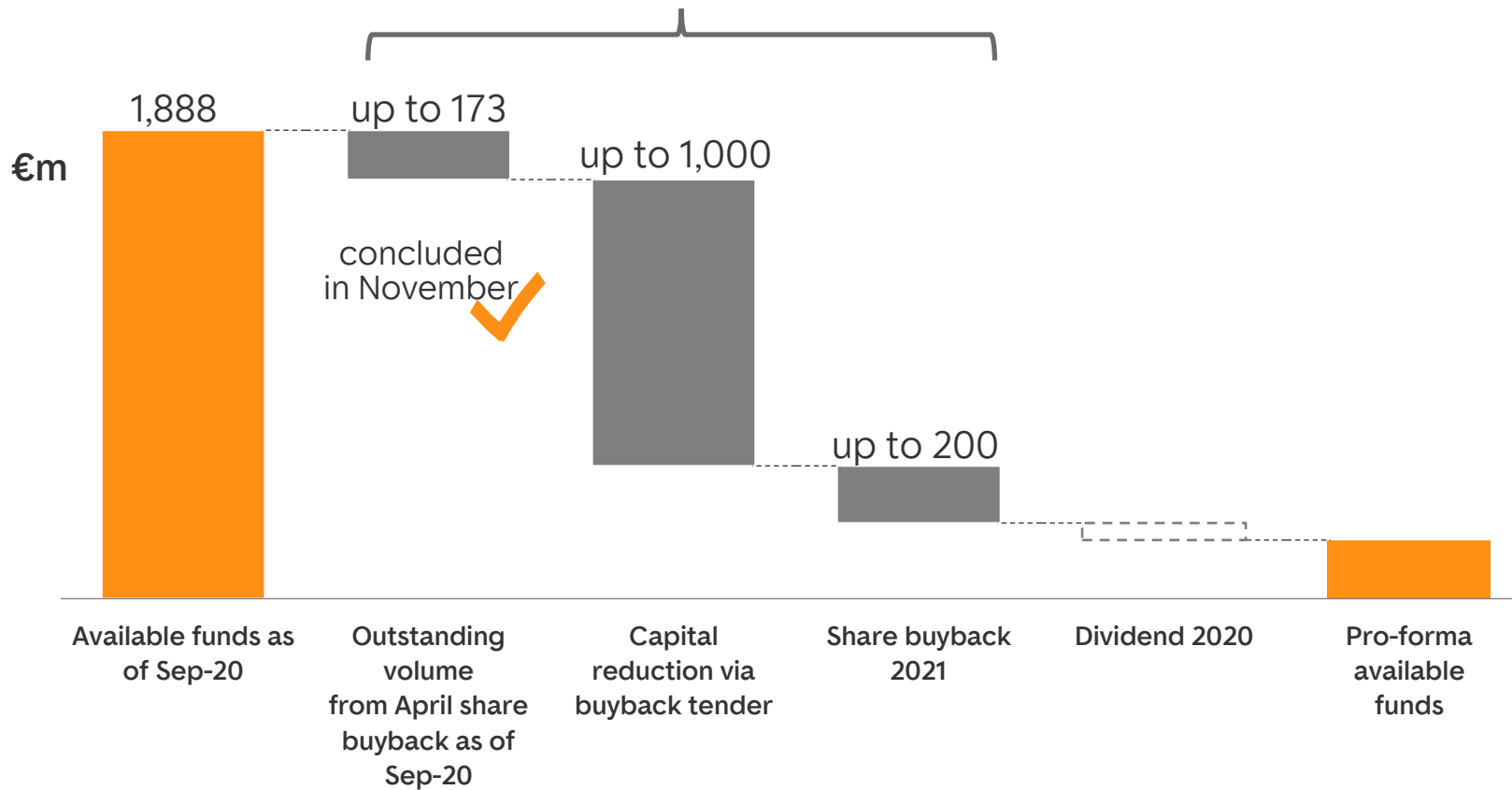
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- Free listings initiative
- Increased “paid” revenue (affiliate + performance marketing for strong growth products within services and leads)
- immoverkauf24
- FLOWFACT

Memo item: Dis-synergies from sale of AS24 (~€4m)

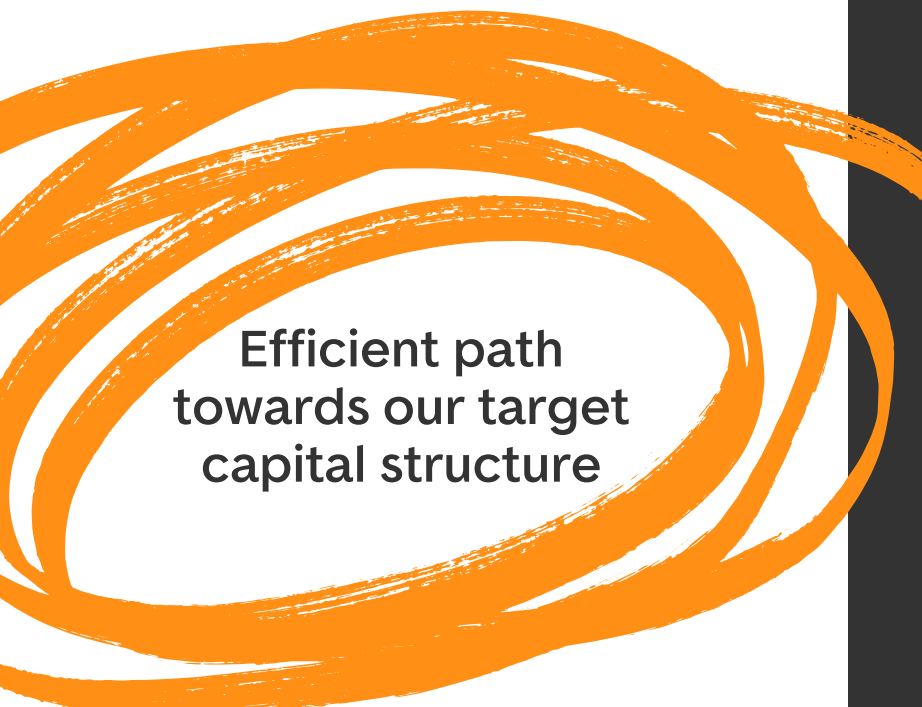
# We reconfirm our previously announced capital return roadmap

Remaining shareholder return of up to €1.36 billion of the announced total of ~€1.69 billion following AS24 sale



- ✓ Up to €490m share buyback programme commenced in April and concluded in November 2020 (treasury share position at ~9%)
- ✓ The up to €1.0bn capital decrease via buyback tender after announcement of FY 2020 results (and before AGM 2021) represents the key part of our capital return programme following the sale of AS24
- ✓ Additional up to €200m share buyback programme in 2021

The buyback tender is the key pillar of our capital return programme



Efficient path towards our target capital structure

#### Offer

- Public tender offer to repurchase shares at a fixed price (total volume of up to € 1bn)
- According to 2020 AGM resolution maximum premium of 10% to volume weighted average price 3 days before announcement
- Repurchased shares will be redeemed without exemption

#### Tender rights

- Scout24 shareholders will receive tradeable tender rights pro rata for their shareholding
- Gives shareholders flexibility to exercise their rights, acquire additional rights or sell their rights
- Provides shareholders certainty on tender acceptance

#### Advantages

- Equal treatment of all shareholders
- Fastest access to large parts of AS24 proceeds
- Highly accretive on earnings per share level
- Attractive capital structure in line with re-focused business model

#### Timing

- Buyback tender to be executed after the publication of FY 2020 results and before the 2021 AGM

# Next events:

23 February 2021: Publication of preliminary FY 2020 results

25 March 2021: Publication of final FY 2020 results

[Link to extended slide deck](#)

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