



NEW WORK SE Q3 23 earnings presentation

November 9, 2023



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Market environment – No recovery yet

IWF-Konjunkturprognose

Deutschland schrumpft als einzige Industrienation

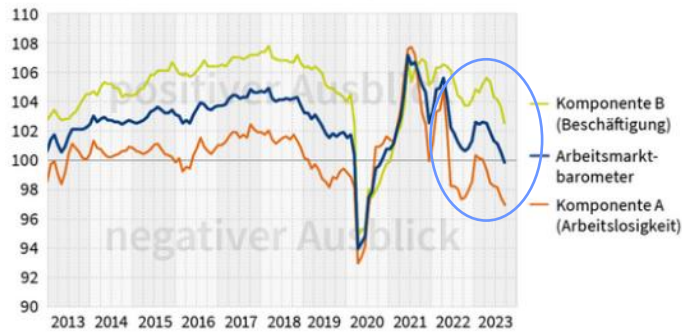
Der Währungsfonds erwartet, dass die deutsche Wirtschaftsleistung in diesem Jahr stärker sinkt als bisher angenommen. Auch die Prognose für 2024 fällt deutlich schlechter aus.

Julian Olk
10.10.2023 - 13:15 Uhr aktualisiert

Das IAB-Arbeitsmarktbarometer bis September 2023



Punktwerte auf einer Skala von 90 (sehr schlechter Ausblick) bis 110 (sehr guter Ausblick), 100 = neutral/gleichbleibend



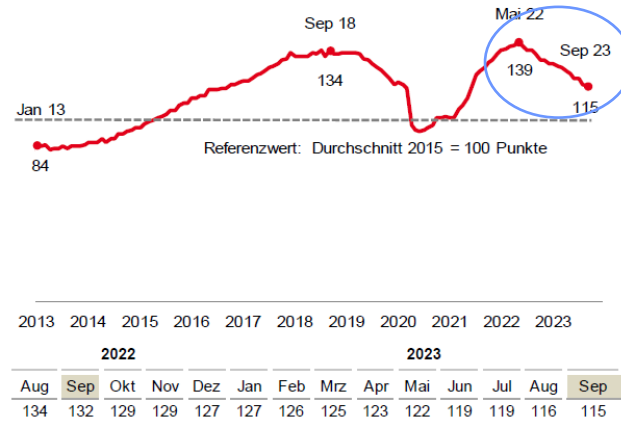
Quellen: Berechnungen des IAB, Statistik der BA, Arbeitsmarktberichterstattung der BA. © IAB

Sources: Handelsblatt, ifo, IAB, BA-X

ifo Geschäftsklima Deutschland*

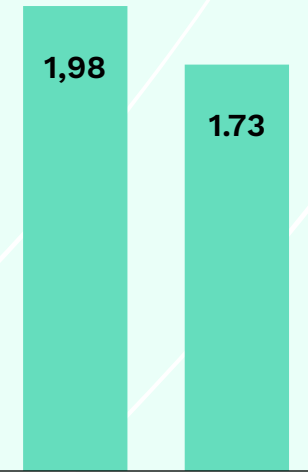


BA-X Index



Unfilled positions in Germany

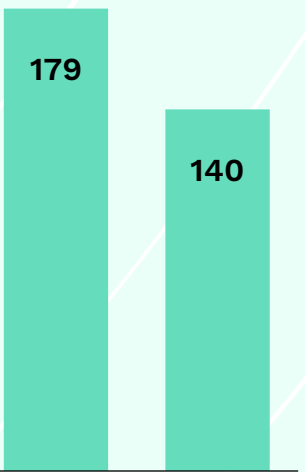
(13%)



12/2022 09/2023

Avg. vacancy duration in days in Germany

(22%)



12/2022 09/2023

Executive summary Q3 23: Financial KPIs on track to meet guidance of €92-100m pro forma EBITDA

(4%)

Pro-forma
service revenues

+3%

Pro-forma service
revenues in HR Solutions
& Talent Access segment

+4%

Pro-forma
EBITDA

+2.1m

New workplace insights
@kununu yoy

(4%)

Pro-forma
net income

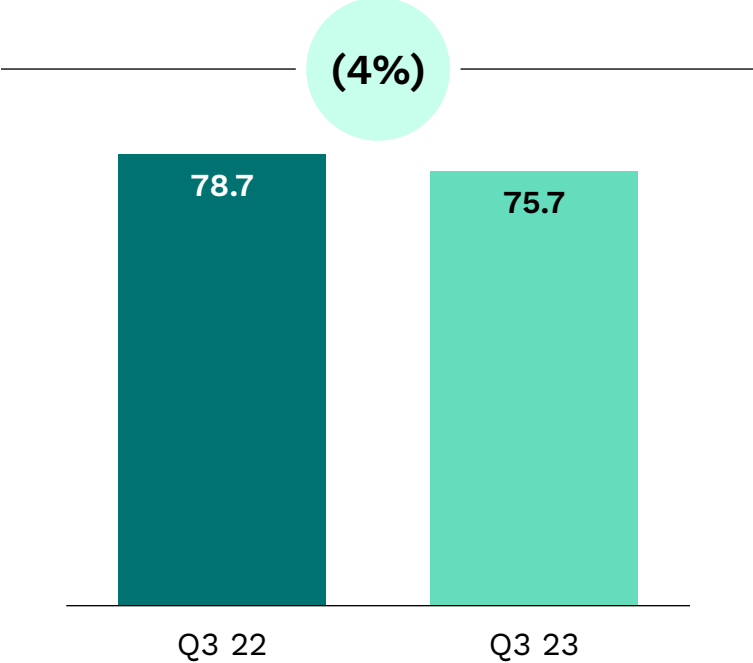
Oct 18

Relaunch of
www.xing.com

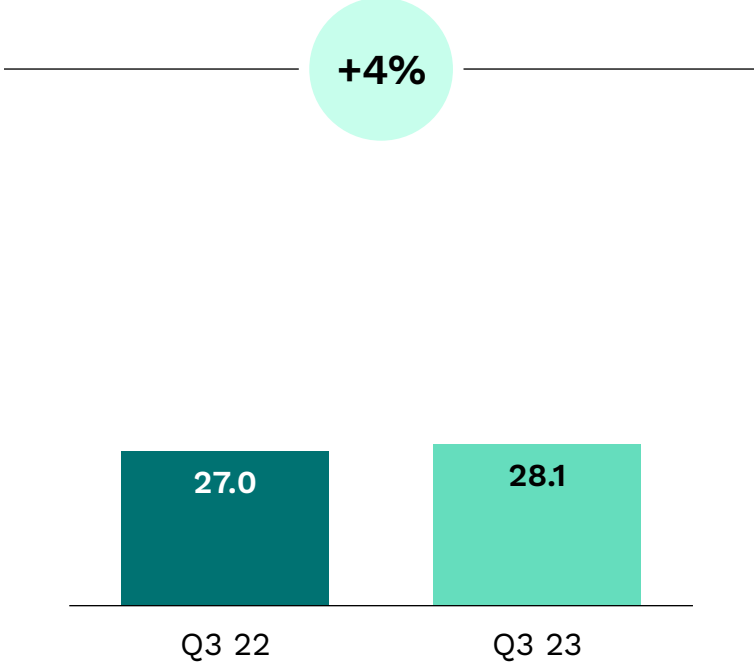


Q3 2023: Financial KPIs down YOY on back of weak employment market

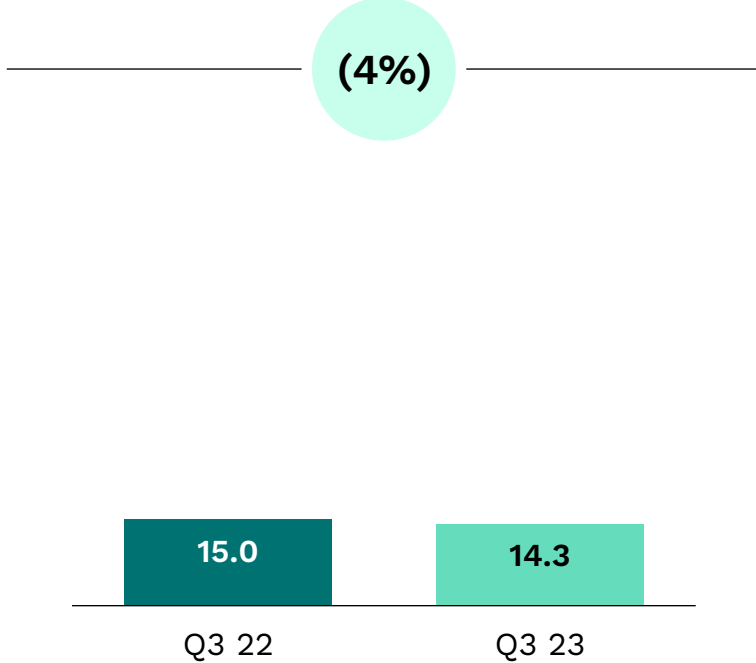
Pro-forma service revenues
in €m



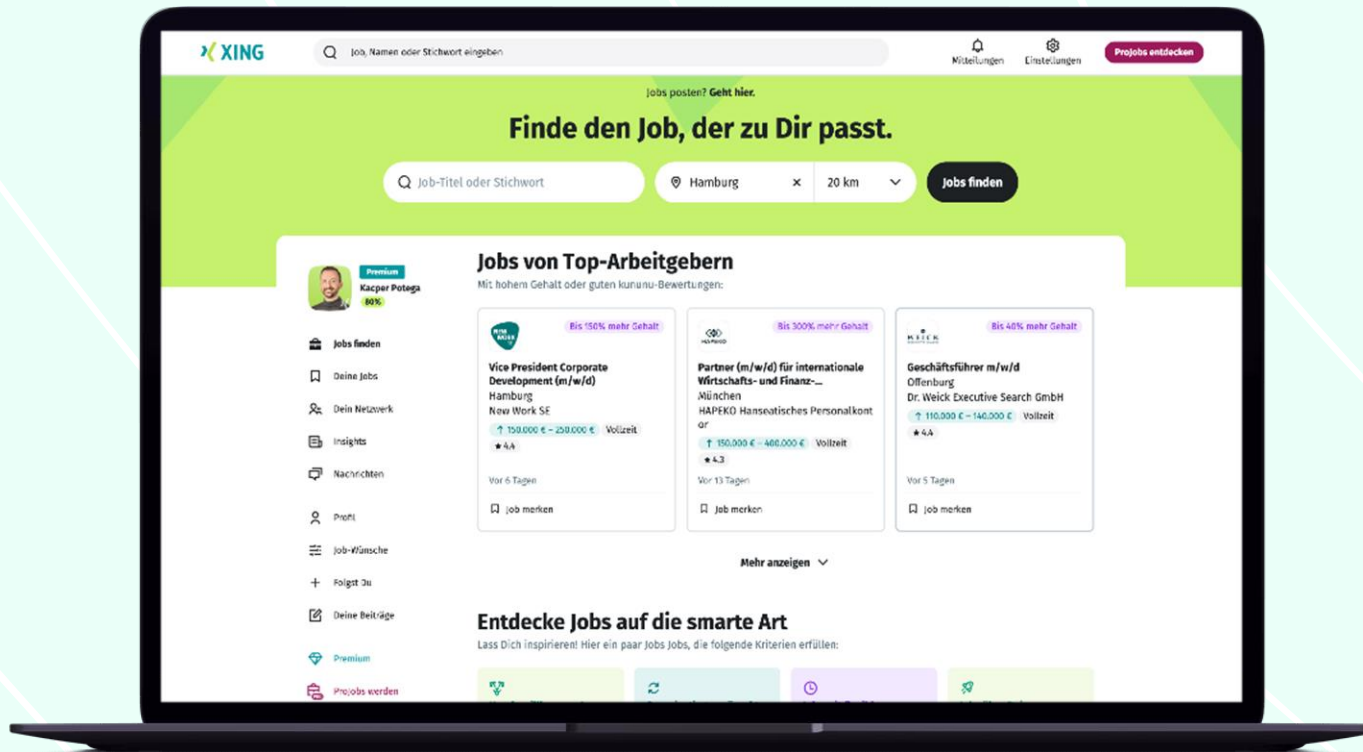
Pro-forma EBITDA
in €m



Pro-forma net income
in €m



XING: Repositioning from social network to jobs-network started



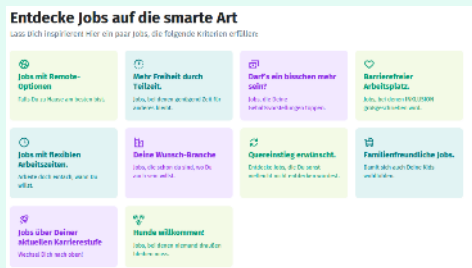
- **0.7m** new XING members yoy
- **140k** new XING members in Q3
- **22m** XING members 30. Sep 23
- **Oct 18:** Launch of XING 3.0



XING: Focus on “Jobs” shows increased engagement and positive customer resonance for new XING positioning

~50%

traffic increase on
www.xing.com/jobs



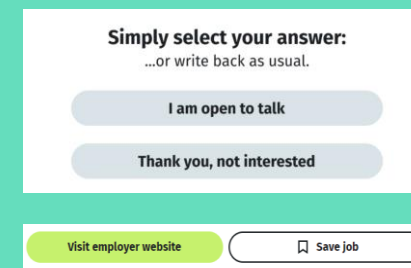
5x

more applications on top
paid postings



63%

increase in career
interactions* to ~4m
in Q3 23



Positive feedback

Visually appealing, clear
structure, clearly
arranged.

Good performance &
usability, state-of-the
art options for filters.

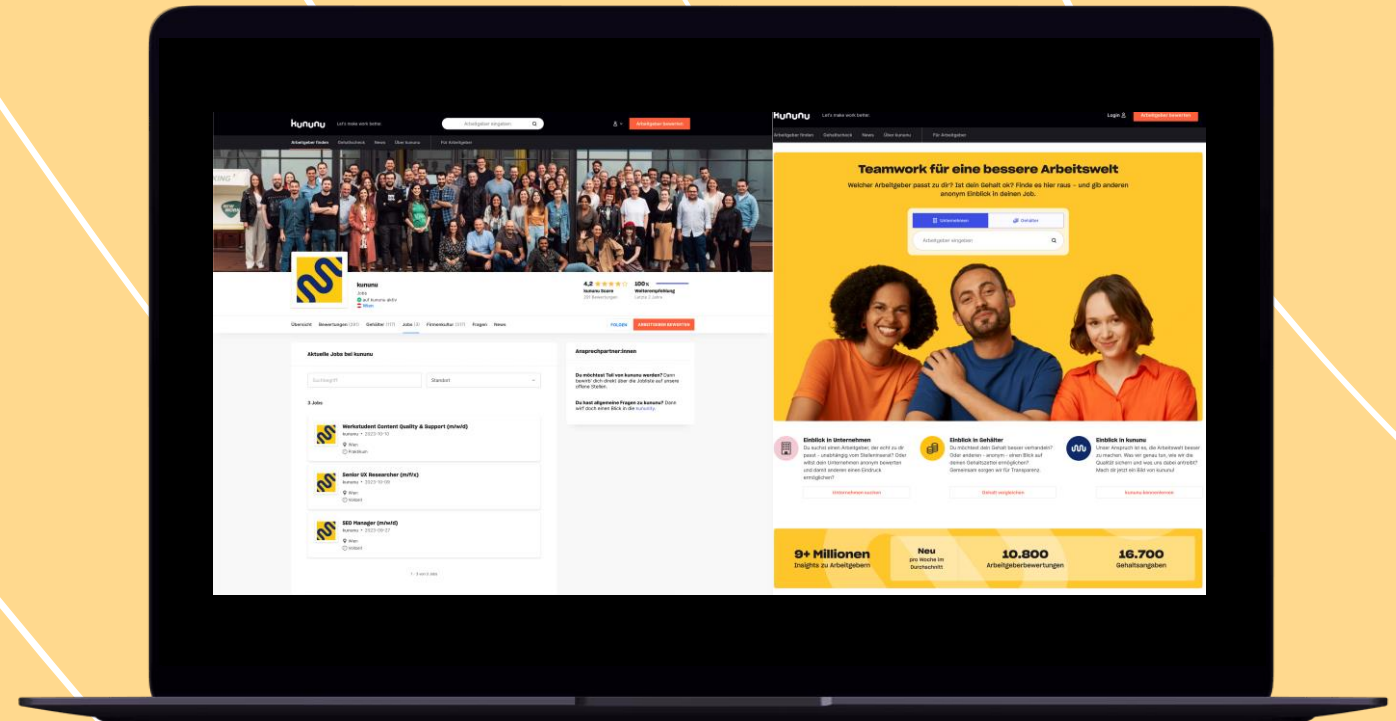
* Career interactions include recruiter replies, candidate apply intents



kununu: Employer branding is the steadfast anchor

- **2.1m** new workplace insights yoy
- **460k** new workplace insights in Q3
- **9.8m** workplace insights incl. **3.3m** salary datapoints end of September
- **Relaunch** kununu.com - homepage

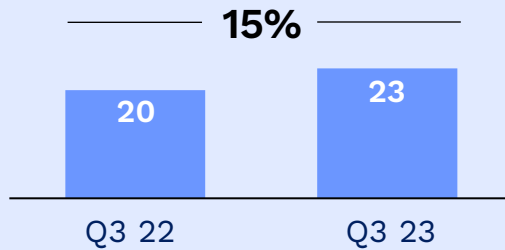
kununu



kununu: Clear market leader with significant increase in reach, audience & customer engagement

Traffic

[in m sessions]



Strategic relevancy growth

Strongest Q3 ever for total traffic with 15% above PY.

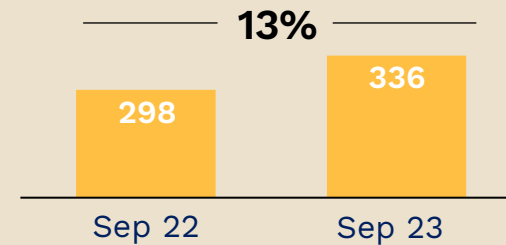
Brand (Google trends)



Google trends shows a **continuous growth trajectory** since acquisition of kununu back in 2013. We're on the path to become synonymous for workplace insights

Profiles

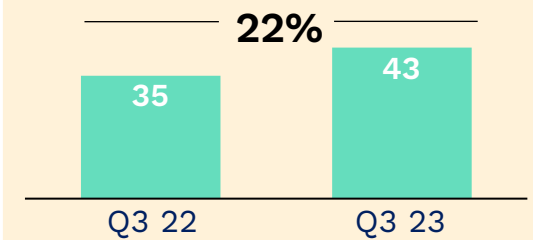
[in k]



Broad "insights" collection has increased platform breadth and coverage of employers – **profiles base** growing by 13% yoy.

Employer Comments

[in k]

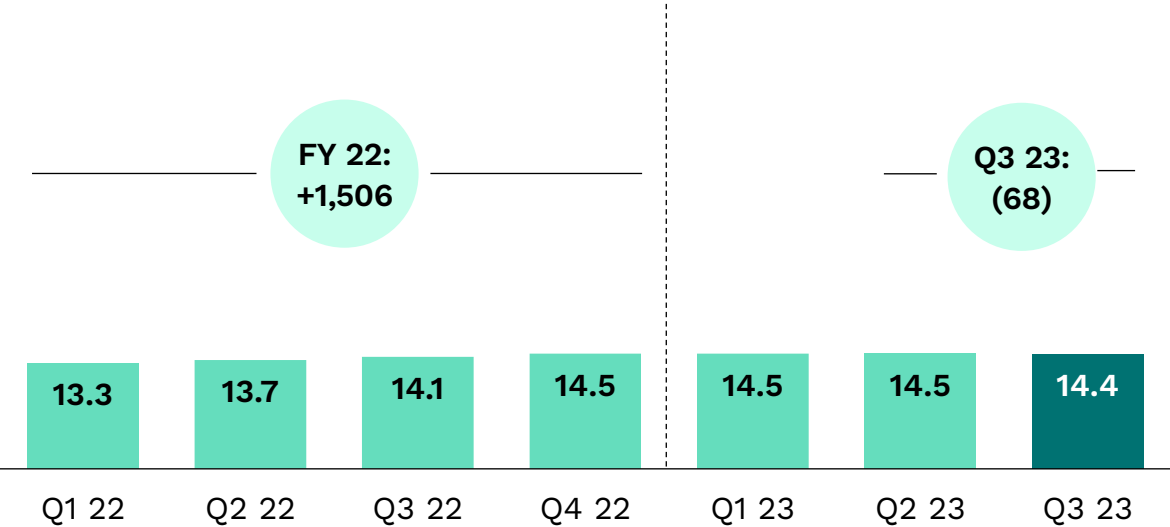


Employer comments are a **reinforcing relevancy** initiated from the **C-side** Employer involvement is growing by 22% yoy.

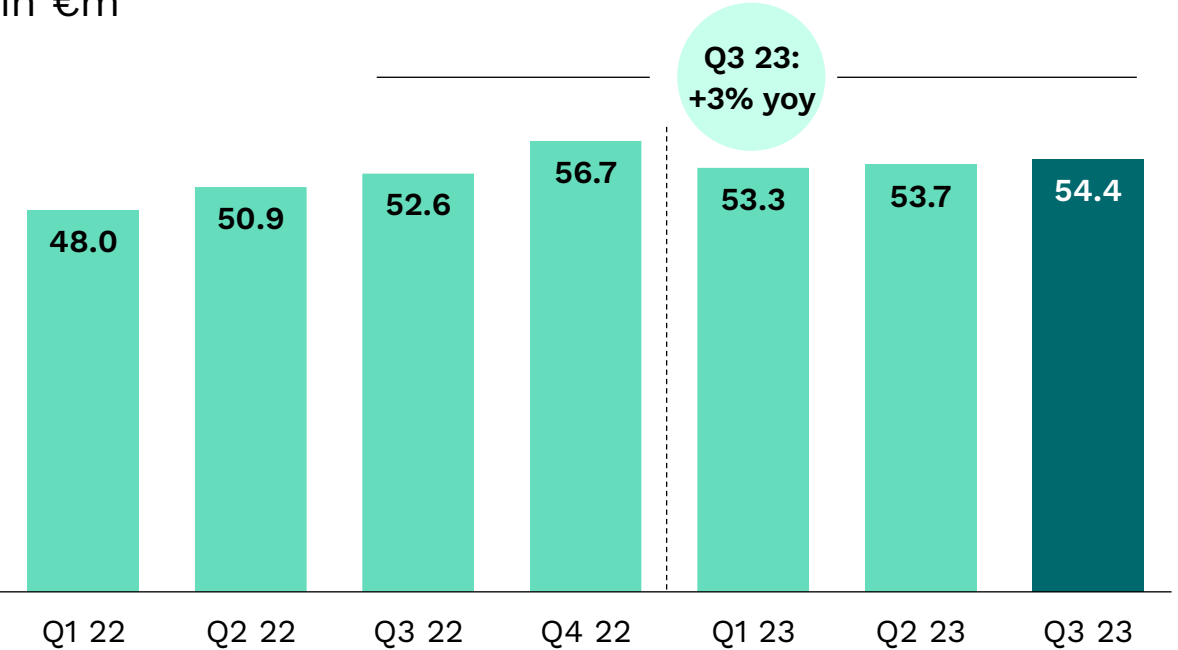


HR solutions & talent access subscription customer base slightly down on back of negative employment market

Subscription customers



(Pro-forma) segment revenues in €m



HR Solutions contributes 72% of NW SE group sales

Employer branding based on kununu growing 20%

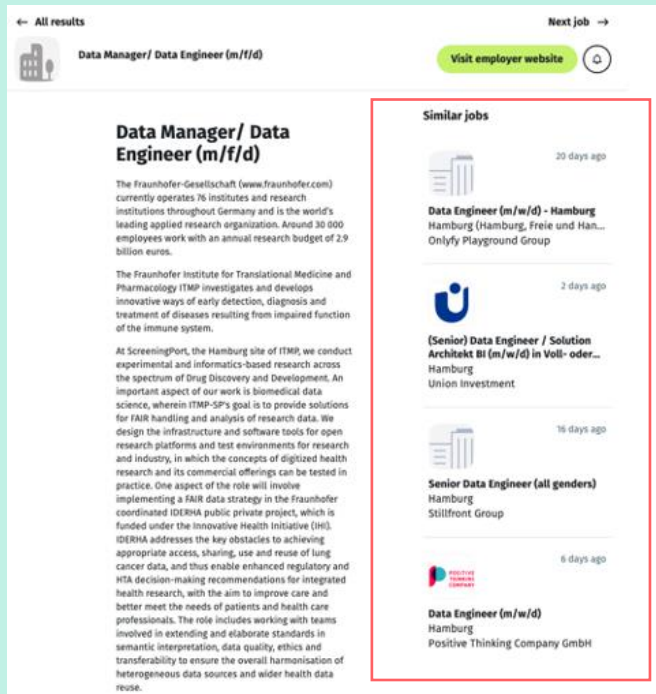
Active & Passive Sourcing: job ads & Talentmanager down single-digit percent given weak macro



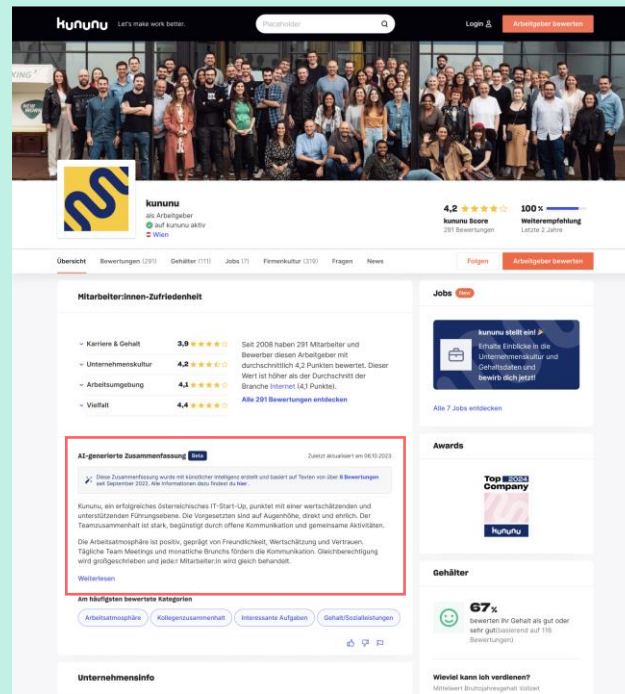
Our current AI initiatives



Matchmaking & Recommender (similar jobs)

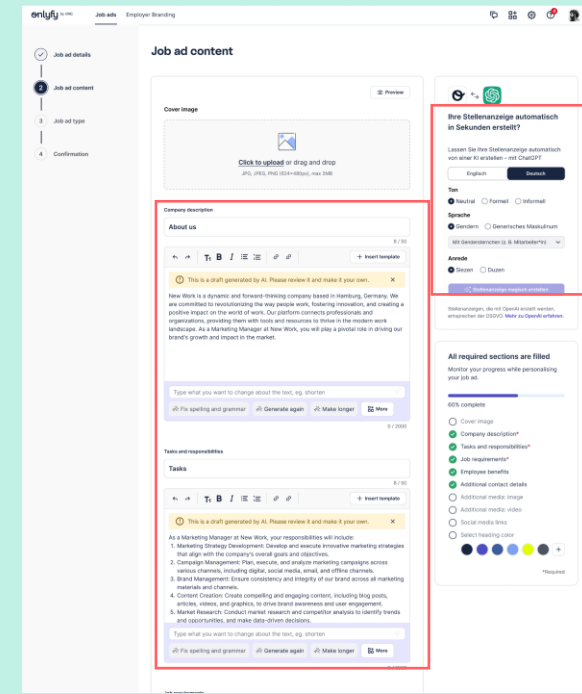


Summarization of employer reviews



by XING

Job-ad creation (screenshot)
Smart templates
Talent recommendations
CV-parsing



Q3 results 2023



Agenda

- Revenues of € 75.7m
- We keep growing our talent access through XING and kununu
- Pro-forma EBITDA at € 28.1m
- Confirming pro-forma EBITDA guidance of € 92-100m



Q3 23: Revenues of € 75.7; Pro-forma EBITDA of € 28.1m

	Q3 2023		Q3 2022		Q3 23 vs. Q3 22		Q2 2023		Q3 23 vs.Q2 23	
	Abs.		Abs.		Rel.		Abs.		Rel.	
Service revenues	75.7		78.7		(4%)		75.8		0%	
Other operating income	0.7		1.0		(24%)		1.4		(47%)	
Capitalized own work	5.8		5.5		7%		6.2		(7%)	
Costs before capitalization	(55.5)	(54.1)	(58.1)		4%		(60.3)	(60.5)	8%	
EBITDA	26.7	28.1	27.0		(1%)		23.1	22.9	15%	
Margin	35%	37%	34%		1%pt		31%	30%	5%pt	
D&A	(8.1)		(7.1)		(14%)		(9.2)		11%	
Financial result	0.4	0.2	(1.1)	(0.2)	134%		0.5	0.2	(29%)	
Taxes	(5.4)	(5.8)	(4.5)	(4.8)	(22%)		(4.5)	(4.3)	(21%)	
Net income	13.5	14.3	14.3	15.0	(6%)		10.0	9.7	34%	
EPS	2.40	2.54	2.55	2.66	(6%)		1.78	1.72	34%	

■ Pro-forma

Rounding differences possible



Q3 23: Segment EBITDA (reported)

	Segment EBITDA Q3 23	Q3 23 Margin	Segment EBITDA Q3 22	Q3 22 Margin	Delta Comment
HR Solutions & Talent Access	17.5	32%	16.3	31%	Continued investments in talent access and repositioning of XING
B2C	10.0	55%	12.6	57%	Expected decline given focus on B2B monetization and talent access
B2B Marketing Solutions	0.7	24%	1.1	28%	Slowdown on back of general ad-market weakness
Central & Other	(1.6)		(3.0)		
Total EBITDA	26.7	35%	27.0	34%	

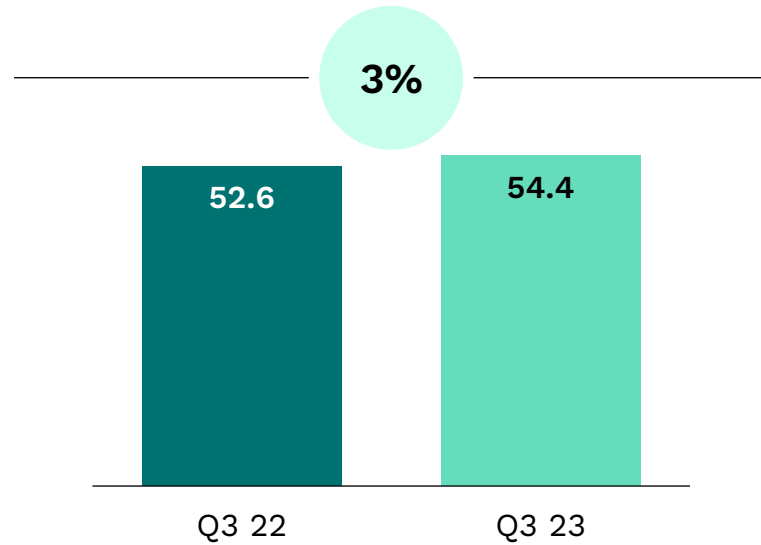
■ Pro-forma

Rounding differences possible

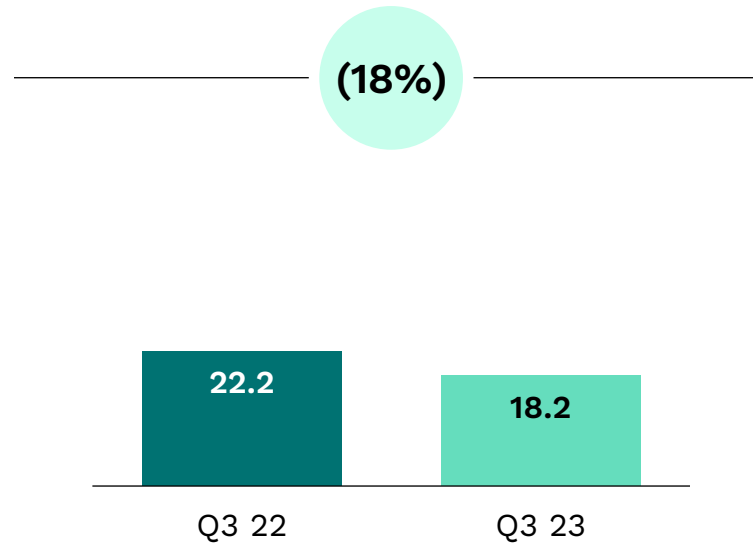


Q3 23 service revenues: HR Solutions & talent Access segment growing 3% – accounting for 72 % of total group sales

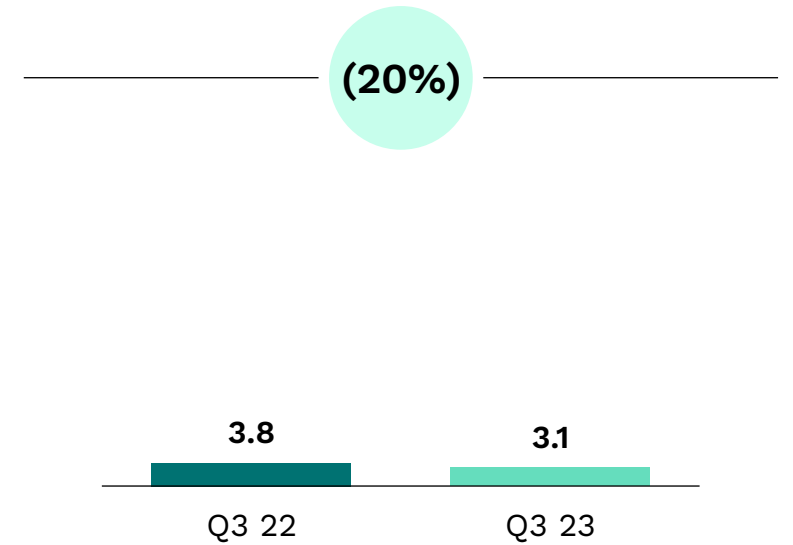
HR Solutions & Talent Access



B2C



B2B Marketing Solutions



Rounding differences possible

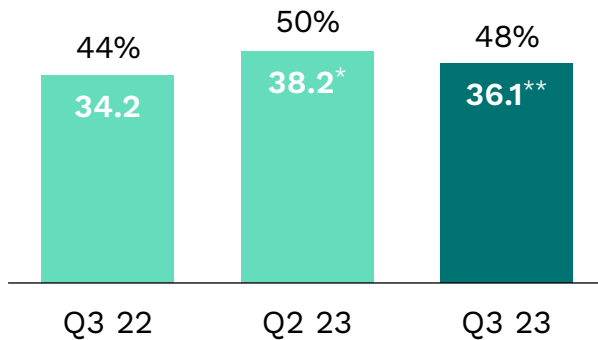


Q3 23: Cost development

Personnel

in € m and in % of service revenues

5%



- Investments especially in go-to-market (sales); hiring-freeze given weak market conditions

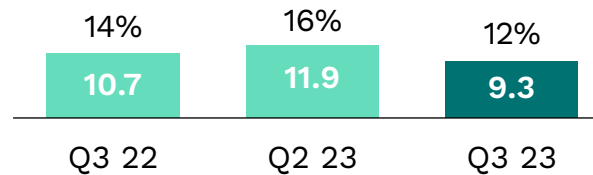
* incl. € 2.4m restructuring costs

** incl. € 1.4m restructuring costs

Marketing

in € m and in % of service revenues

(12%)

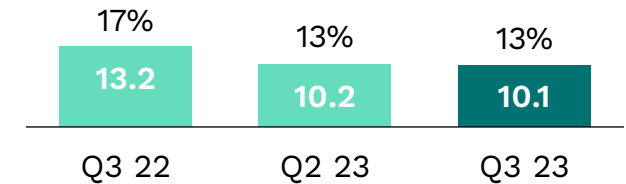


- Online display & social media
- B2B E-Recruiting media campaign
- Kununu salary data campaign
- Increased brand & performance marketing

Other expenses

in € m and in % of service revenues

(23%)



- External services (i. e. freelancers)
- Server hosting
- Payment processing
- Travel & entertainment
- Other

Rounding differences possible



Q3 23: Operating cash flow of €7.1m

	Q3 23	Q3 22	Q3 23 vs. Q3 22	Q2 23	Q3 23 vs. Q2 23
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	26.7	26.5	0.2	23.1	3.6
Interest / tax / other	(6.0)	(9.0)	3.1	(2.5)	(3.5)
Change in net working capital	(13.6)	(0.8)	(12.9)	(3.9)	(9.7)
Operating cash flow	7.1	16.6	(9.6)	16.7	(9.6)
Investment – operating	(5.4)	(6.8)	1.4	(9.0)	3.6
Investment – acquisitions & joint venture	0.0	0.0	0.0	0.0	0.0
Investment – financial assets	12.2	0.0	12.2	0.0	12.2
Interests paid, lease liabilities, FX rate diff. & rest	(2.2)	(2.1)	(0.1)	(2.2)	0.0
Cash flow excl. dividends	11.7	7.7	4.0	5.5	6.2
Regular dividend	0.0	0.0	0.0	(17.8)	17.8
Special dividend	0.0	0.0	0.0	(20.0)	20.0
Cash flow	11.7	7.7	4.0	(32.3)	44.0

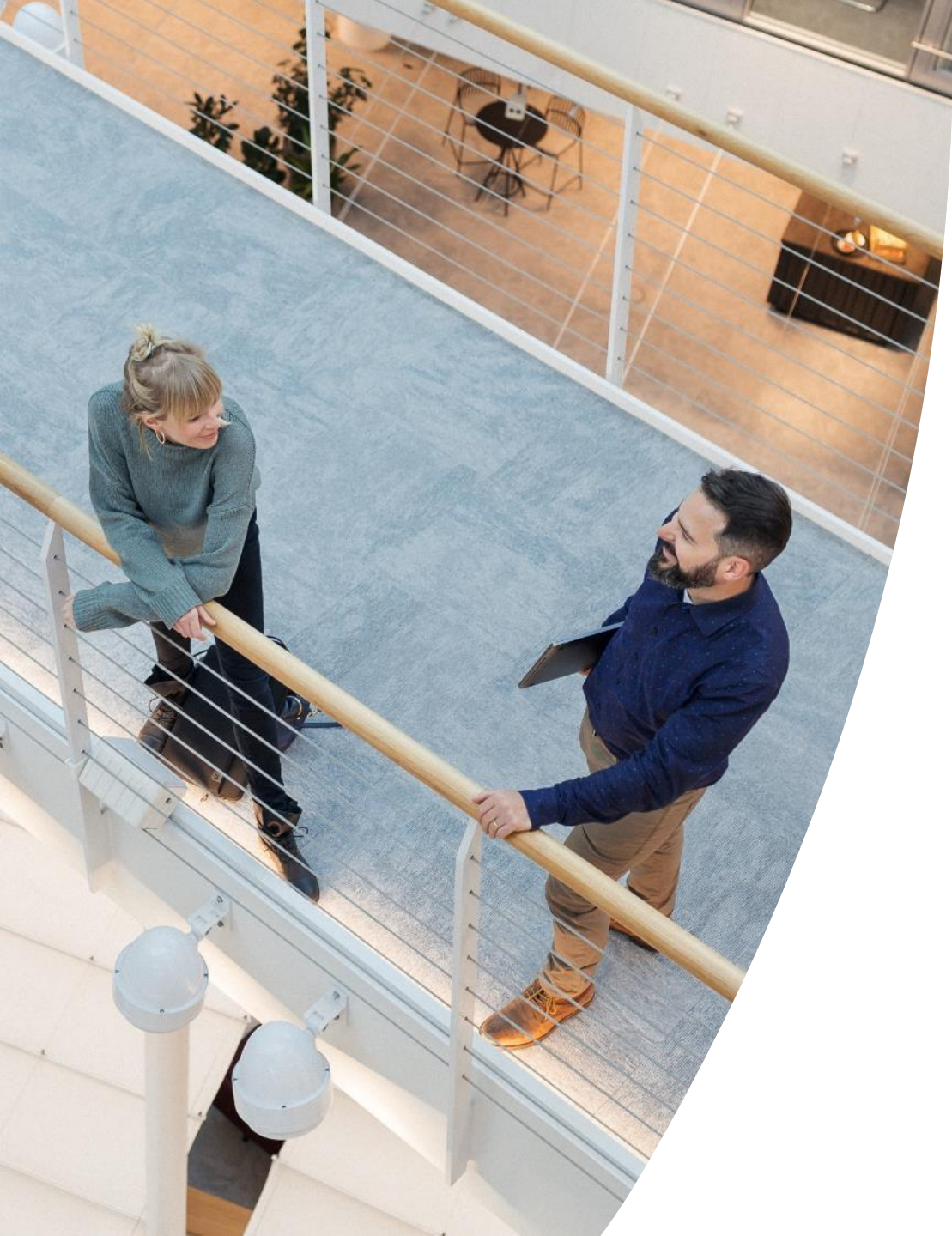
Rounding differences possible



Guidance 2023

Given solid Q3 with pro-forma EBITDA of **€ 28.1m** we **confirm** our guidance for **Pro-forma EBITDA of € 92-100m.**





Thank you for your attention.

HARBOUR FOR:



Investor relations

Contact details & social media channels



Patrick Moeller

VP Investor Relations

NEW WORK SE
Am Strandkai 1
20457 Hamburg
Germany

Tel.: +49 (0)40 419 131-793

Fax.: +49 (0)40 419 131-44

E-mail: patrick.moeller@new-work.se



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