A top-down view of a child with dark curly hair, wearing a blue and white striped shirt, tan pants, and brown shoes, sitting on a dark wood plank floor. The child is focused on assembling a small orange and black toy car. To the left, a wooden train track curves across the floor, with a red toy car and a white toy car nearby. A green toy car is on the right. In the background, there are white and yellow toy blocks and a white dinosaur figurine.

[www.scout24.com](http://www.scout24.com)

# Scout24 AG

## Q3 2017 Results Conference Call

November 8, 2017

**SCOUT 24**

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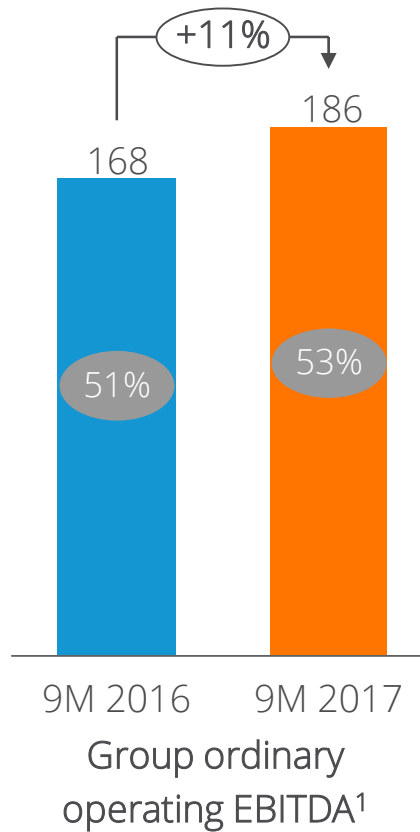
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# Key Financial Highlights

Strong organic revenue growth...

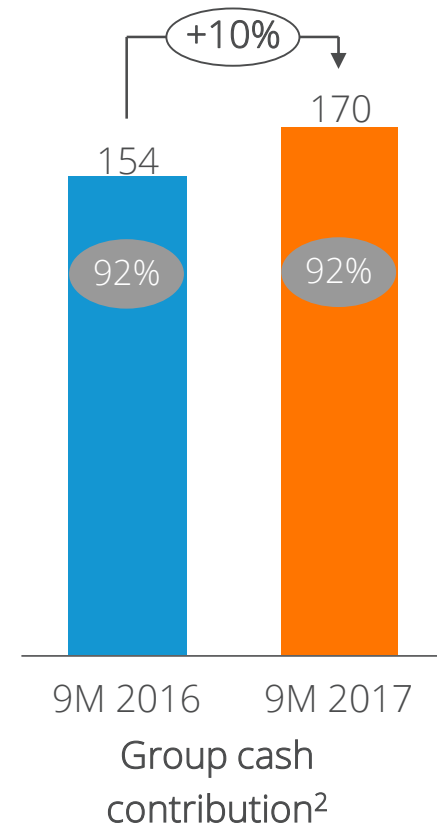


...sustainable profitability...



ooEBITDA margin

...and robust & visible cash flows



Cash Conversion<sup>2</sup>

Note: All figures in € millions.

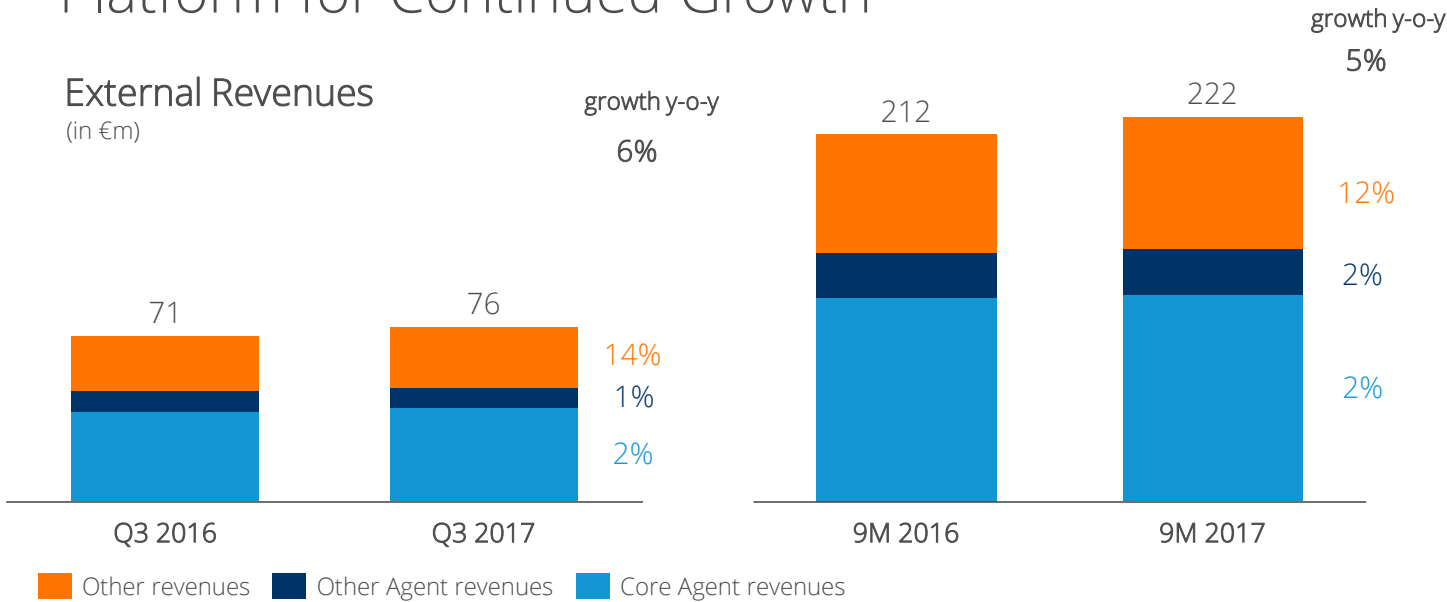
1. Ordinary operating (oo)EBITDA represents EBITDA adjusted for non-operating and special effects, ordinary operating EBITDA margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenues.
2. Cash contribution is defined as ooEBITDA less Capital expenditures,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



# ImmobilienScout24

## Platform for Continued Growth

### External Revenues (in €m)



### Key highlights

#### Core Agent revenues

- Core Agent revenues show slight increase compared to Q3 2016 reflecting improvement in core agent trends

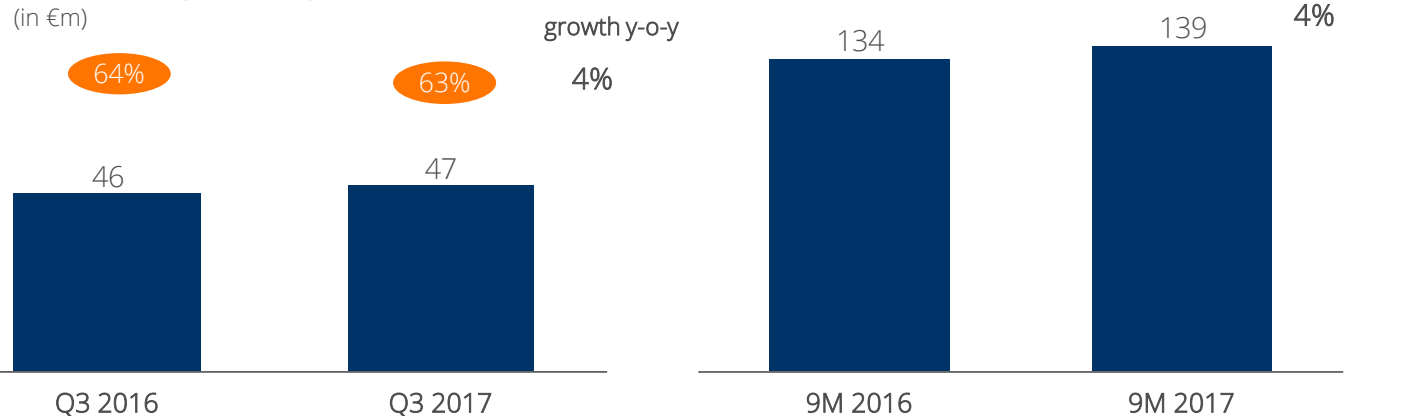
#### Other Agent revenues

- Other agent revenues remained mainly flat on a y-o-y basis mainly driven by professional pay-per-ad revenues

#### Other revenues

- Increase reflecting robust revenue growth in adjacent businesses combined with a slight increase private listing revenues

### ordinary operating EBITDA (in €m)



#### ooEBITDA

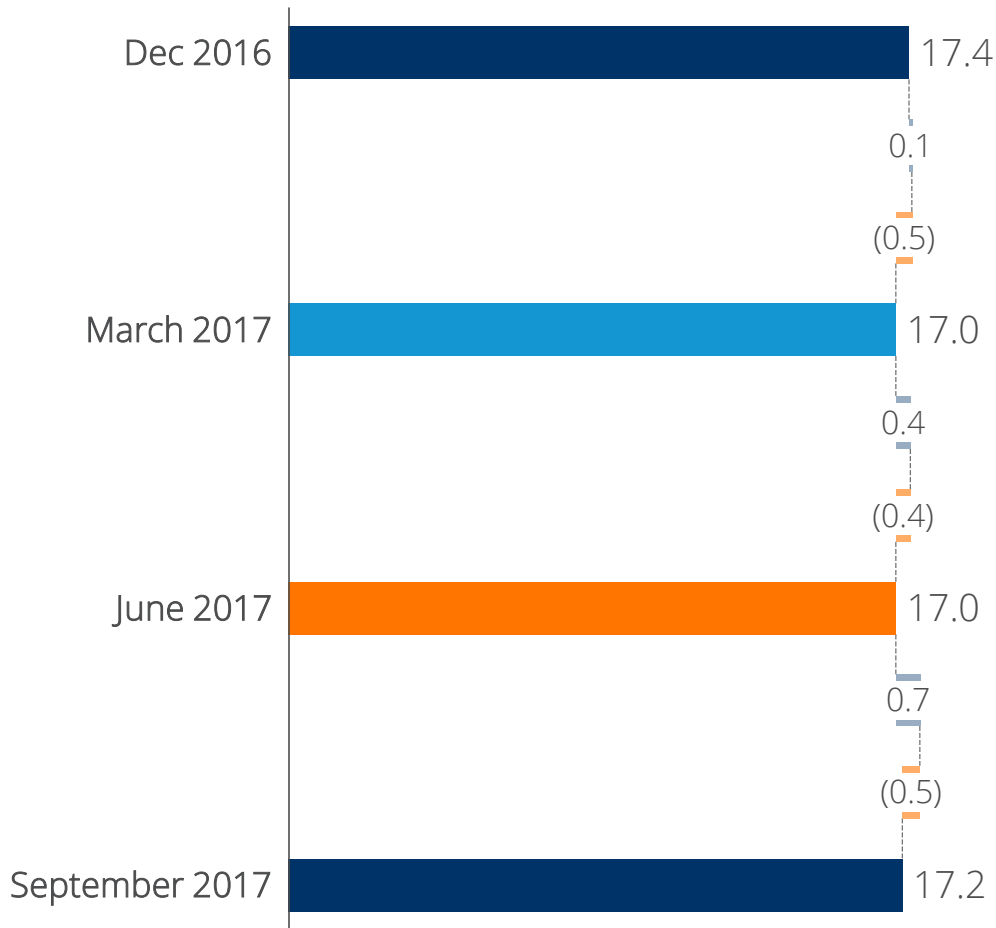
- ooEBITDA margin reflecting investments in product innovation adding to topline growth going forward

xx% ooEBITDA margin

Note: All figures in € millions

# ImmobilienScout24

## Core agent evolution



- Core agent numbers increased in Q3 2017 vs. Q2 2017
- Low churn rates driving positive agent number development
- Stable customer winback rate (based on monthly run rate) in Q3 2017
- Winback and low churn adding to mix-effect in ARPU growth

■ Net loss/gain excl. Agents leaving the business<sup>1</sup>  
 ■ Agents leaving the business / inactive Agents

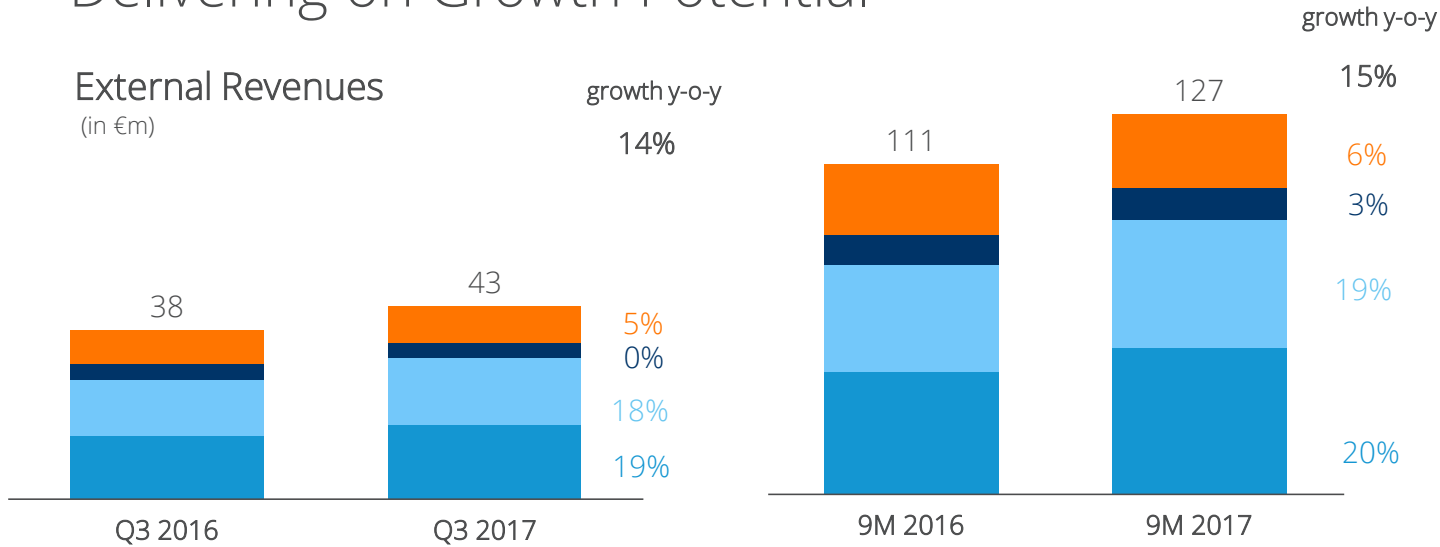
Source: Management estimates, internal data.

1. No listings at any online sources 4 months after inactivation at IS24.

# AutoScout24

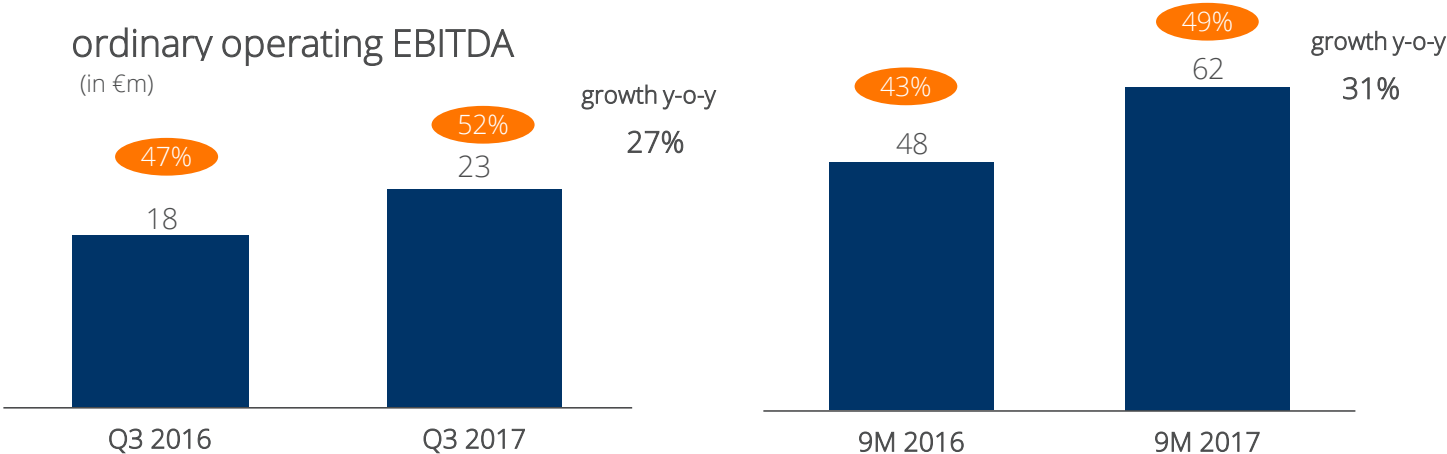
## Delivering on Growth Potential

### External Revenues (in €m)



■ Other revenues 
 ■ Other Dealer revenues 
 ■ Core Dealer revenues BE/NL/IT 
 ■ Core Dealer revenues GER

### ordinary operating EBITDA (in €m)



xx% ooEBITDA margin

### Key highlights

#### Core Dealer revenues

- Strong ARPU increase on the back of price increases and good visibility product uptake in Germany and Benelux

#### Other Dealer revenues

- Other dealer revenues with a flat development y-o-y on the back of a less dynamic development in revenues from the "Express Sale"

#### Other revenues

- Other revenues increased at a slightly slower pace due to a less dynamic development in display revenues

#### ooEBITDA

- Revenue growth combined with operational gearing drive margin increase

# Ordinary Operating Cost

(in €m)	9M 2016	9M 2017
<b>Revenues</b>	<b>326.3</b>	<b>353.5</b>
Own work capitalised	8.2	10.7
Personnel (incl. external labour)	(88.2)	(94.9)
Marketing (online & offline)	(35.3)	(38.3)
IT	(12.0)	(12.0)
Other costs	(31.4)	(33.5)
<b>Total operating cost</b>	<b>(158.8)</b>	<b>(168.0)</b>
<b>Ordinary operating EBITDA</b>	<b>167.6</b>	<b>185.5</b>
<b>Ordinary operating EBITDA-margin</b>	<b>51.4%</b>	<b>52.5%</b>

## Comments

- Including €1.1m for stock-option programme for employees (SOP) in 2017
- Increase driven by regular salary increase as well as talent upgrade
- Investment in internal and external labour to support product and sales approach (+ 18 internal FTE y-o-y)

- Marketing expenses reflecting certain investments in product innovation

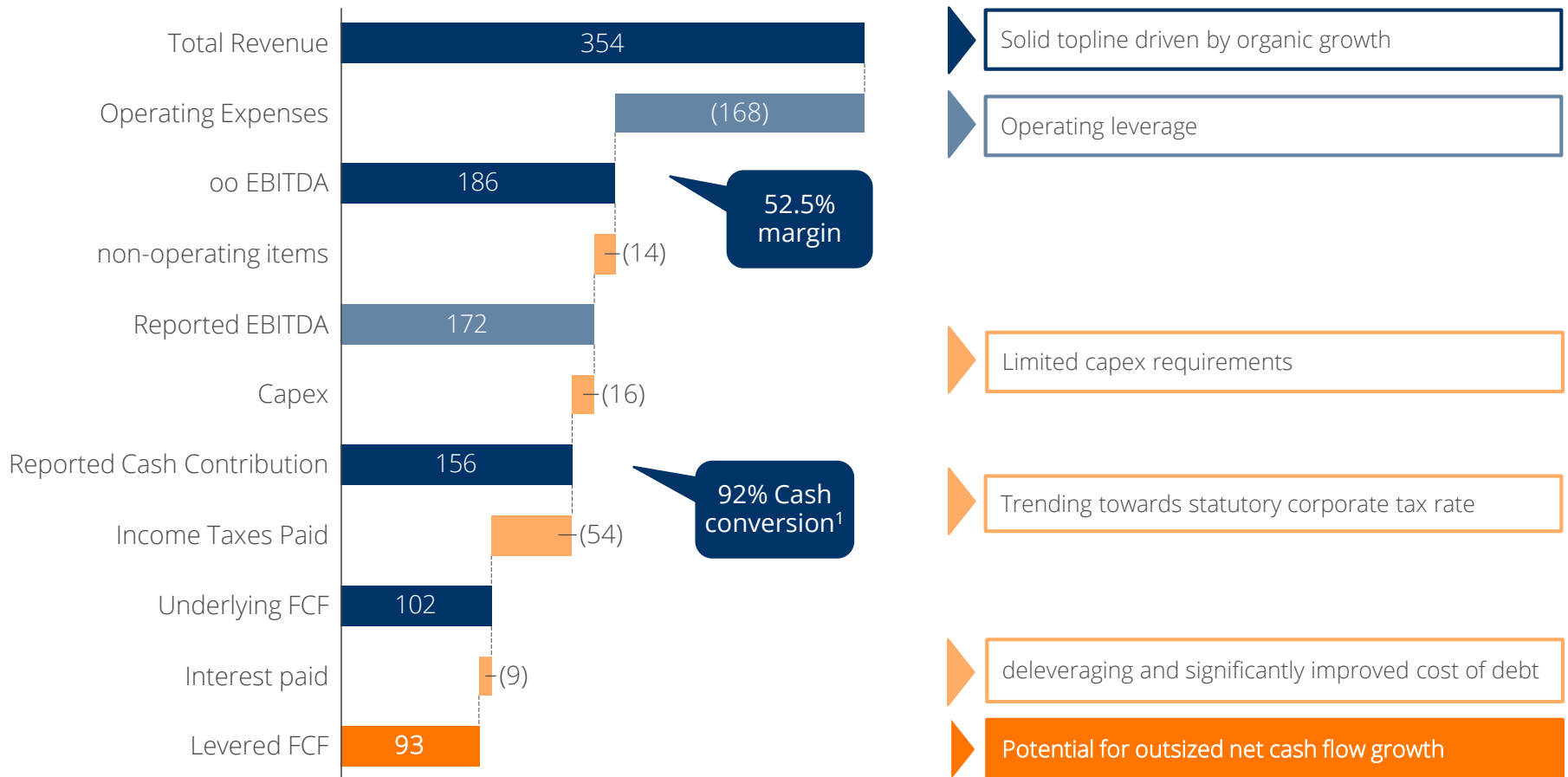
- Sundry positions and seasonality

Note: All figures in € millions

# Strong Free Cash Flow Generation

## Revenue to Free Cash Flow Bridge (9M 2017)

(in €m)



Note: All figures in € millions

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



# Below EBITDA Items

(in €m)		9M 2016	9M 2017	Comments
	<b>Ordinary operating EBITDA</b>	<b>167.6</b>	<b>185.5</b>	
	Non-operating items	(13.9)	(14.0)	<ul style="list-style-type: none"> <li>• Include €2.8m effect from share-based compensation (Management Equity Programmes), €2.3m performance based compensation stemming from a purchase price agreement, €2.1m of cost relating to M&amp;A, €6.1m personnel cost relating to the reorganisation</li> </ul>
	<b>Reported EBITDA</b>	<b>153.6</b>	<b>171.5</b>	
	D&A	(11.7)	(13.8)	
PPA Effect	D&A on PPA items	(37.2)	(29.1)	<ul style="list-style-type: none"> <li>• Amortisation of PPA items decreasing as technology asset fully amortised</li> </ul>
	<b>EBIT</b>	<b>104.8</b>	<b>128.6</b>	
	Results Equity Method	(0.0)	(0.0)	
Interest	Finance Income	0.0	3.4	<ul style="list-style-type: none"> <li>• Significantly reduced interest rate</li> <li>• 9M 2016 including €5.1m expense from derivative instruments, 9M 2017 with €1.2m gain (0% floor on EURIBOR, non-cash relevant)</li> <li>• 9M 2017 including one-time gain of €1.9m in interest refund deriving from 2011</li> </ul>
	Finance Cost	(31.7)	(11.0)	
	<b>Earnings before Tax</b>	<b>73.2</b>	<b>121.0</b>	
Taxes	Taxes on Income	(24.2)	(37.4)	
	<b>Earnings after Tax</b>	<b>49.0</b>	<b>83.6</b>	
	<b>Earnings per Share (in €)</b>	<b>0.46</b>	<b>0.78</b>	
	<b>Adjusted Earnings<sup>1</sup></b>	<b>107.8</b>	<b>110.4</b>	<ul style="list-style-type: none"> <li>• Effective tax rate of 30.9% (slightly lower than normalized rate of 31.3%)</li> </ul>
	<b>Earnings per Share adjusted (in €)<sup>1</sup></b>	<b>1.00</b>	<b>1.03</b>	

Note: All figures in € millions

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

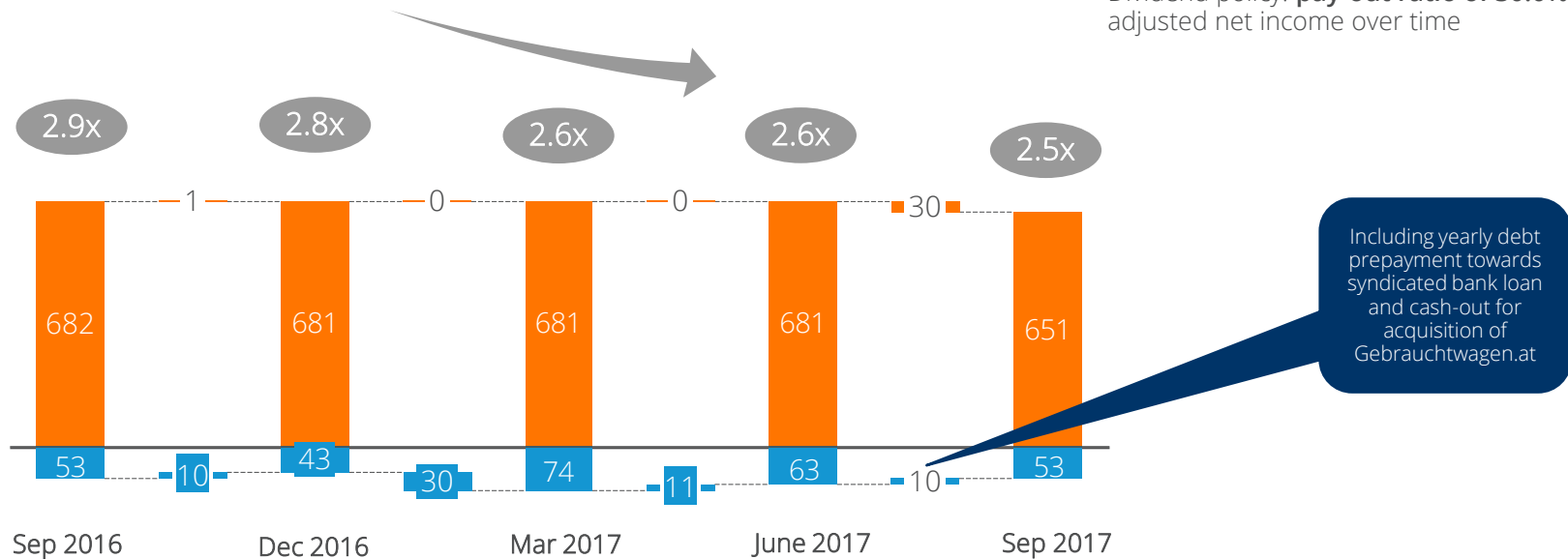
# Capital structure

## Margin ratchet thresholds

Leverage (Net Debt/EBITDA)	Margin <sup>1</sup>	
	Term Loan	Revolving Facility <sup>2</sup>
>3.00x	2.00%	1.60%
>2.50x	1.70%	1.30%
>2.00x	1.50%	1.10%
>1.50x	1.30%	0.90%
>1.00x	1.10%	0.70%
<1.00x	0.90%	0.50%

## Key highlights

- New margin ratchet with 1.50% interest on term loan and 1.10% on revolving facility effective by Mid-November 2017
- As business de-levers over time, margin ratchet will reduce interest expense further
- Targeted leverage ratio of 1.5x to 1.0x over time
- Dividend policy: **pay-out ratio of 30.0% to 50.0%** of adjusted net income over time



■ Gross Debt    
 2.9x Leverage (Net debt<sup>3</sup> / ordinary operating EBITDA)    
 ■ Cash and cash equivalents

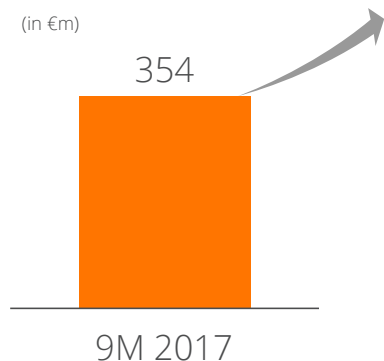
1. Leverage test on a quarterly basis with new spread applicable 45 days post quarter end  
 2. Revolving Facility is subject to a utilisation fee depending of the amount drawn (<33.3% : 0.1% , <66.7% : 0.2% , >66.7% : 0.4%)  
 3. Net debt is defined as total debt (current and non-current liabilities) less cash and cash equivalents

# Outlook Full Year 2017

## Reiterating full year outlook

### Revenues

(in €m)

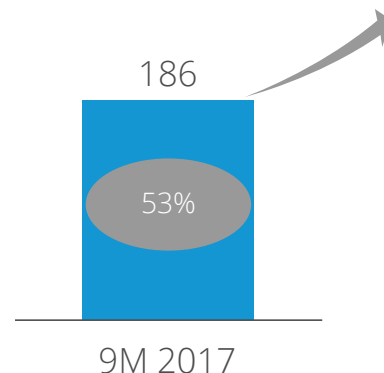


Group revenues expected to record **high-single-digit** percentage growth rate

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

### ordinary operating EBITDA

(in €m)



Group ooEBITDA margin is expected **to increase by around one percentage point**

- **IS24** is expected to achieve an ordinary operating EBITDA margin on a **slightly lower (but, at least 61.5%) or comparable level** than in 2016
- **AS24** margin expected **to expand by at least five percentage points**

● ooEBITDA margin

Note: All figures in € millions

# Q&A

# Reconciliation Adjusted Earnings

(EUR millions)	9M 2016	9M 2017
<b>Earnings before Tax</b>	<b>73.2</b>	<b>121.0</b>
Add back non-operating items	13.9	14.0
Add back D&A on PPA items	37.2	29.1
Add back extraordinary finance expense/ income and effects from derivative instruments	5.1	(3.0)
Deduct Profit from disposal of investments accounted for using the equity method	(0.0)	(0.0)
<b>Adjusted Earnings before Tax</b>	<b>129.4</b>	<b>161.1</b>
Adjusted Tax based on normalized Tax rate	(40.8)	(50.5)
Non-Controlling interest	0.2	-
<b>Adjusted Earnings attributable to owners of the parent</b>	<b>88.9</b>	<b>110.6</b>
<b>Earnings per Share adjusted (in €)<sup>1</sup></b>	<b>0.82</b>	<b>1.03</b>
Weighted average of shares (in million)	107.6	107.6

Based on relevant nominal tax rate as stated in Annual Report 2015 and 2016 respectively.

Q2 2016: 31.30%;  
Q2 2017: 31.33%

Note: All figures in € millions

Voluntary information, unaudited, not reviewed.

# Income Statement

(EUR millions)	9M 2016	9M 2017
<b>Revenues</b>	<b>326.3</b>	<b>353.5</b>
Own work capitalised	8.2	10.7
Other operating income	1.1	0.5
<b>Total operating performance</b>	<b>335.6</b>	<b>364.7</b>
Personnel expenses	(83.2)	(88.7)
Advertising expenses	(35.7)	(38.4)
IT expenses <sup>1</sup>	(12.1)	(12.0)
Other operating expenses	(51.0)	(54.0)
<b>EBITDA (Earnings before interest, tax, depreciation and amortisation)</b>	<b>153.6</b>	<b>171.5</b>
Depreciation, amortisation and impairment losses	(48.9)	(42.9)
<b>EBIT (Earnings before interest and tax)</b>	<b>104.8</b>	<b>128.6</b>
<b>Net financial result</b>	<b>(31.5)</b>	<b>(7.5)</b>
<b>Earnings before tax</b>	<b>73.2</b>	<b>121.0</b>
Income taxes	(24.3)	(37.4)
<b>Earnings after tax</b>	<b>49.0</b>	<b>83.6</b>
<b>Earnings per share (EUR)</b>	<b>0.46</b>	<b>0.78</b>

Note: All figures in € millions

1. The following change has occurred compared with the Group interim report on the first half of 2016: to enhance transparency, as of 1 January 2017 a reclassification of other operating expenses to IT expenses was implemented.



# Balance Sheet 1/2

Assets	12/31/2016	09/30/2017
(EUR '000)		
<b>Current assets</b>	<b>96.2</b>	<b>107.9</b>
Cash and cash equivalents	43.4	52.9
Trade receivables	43.3	43.4
Financial assets	0.4	0.7
Income tax receivables	1.2	1.5
Other assets	7.8	9.4
<b>Non-current assets</b>	<b>2,034.7</b>	<b>2,031.8</b>
Goodwill	816.2	861.2
Trademarks	983.5	983.3
Other intangible assets	217.6	192.3
Property, plant and equipment	10.0	8.1
Investments accounted for using the equity method	1.7	1.1
Financial assets	0.5	25.2
Deferred tax assets	3.5	2.8
Other assets	1.8	2.8
<b>Total assets</b>	<b>2,130.9</b>	<b>2,139.7</b>

Note: All figures in € millions

# Balance Sheet 2/2

## Equity and liabilities

(EUR '000)

	12/31/2016	09/30/2017
<b>Current liabilities</b>	<b>112.3</b>	<b>76.8</b>
Trade payables	27.9	22.6
Financial liabilities	31.8	0.5
Other provisions	4.0	5.3
Income tax liabilities	15.9	8.3
Other liabilities	32.7	40.3
<b>Non-current liabilities</b>	<b>1,027.8</b>	<b>1,019.2</b>
Financial liabilities	645.5	646.2
Pension and similar obligations	0.4	0.5
Other provisions	0.6	0.7
Income tax liabilities	0.0	0.0
Deferred tax liabilities	378.6	369.6
Other liabilities	2.6	2.2
<b>Equity</b>	<b>990.8</b>	<b>1,043.7</b>
Subscribed share capital	107.6	107.6
Capital reserve	427.6	428.7
Retained earnings	455.0	506.4
Measurement of pension obligations	(0.1)	(0.1)
Other reserves	1.1	1.1
Treasury shares (13,400 and 0 shares respectively)	(0.5)	-
Equity attributable to shareholders of parent company	990.8	1,043.7
Non-controlling interests	-	-
<b>Total equity and liabilities</b>	<b>2,130.9</b>	<b>2,139.7</b>

Note: All figures in € millions

# Cash Flow Statement 1/2

(EUR millions)

	9M 2016	9M 2017
<b>Earnings after tax</b>	<b>49.0</b>	<b>83.6</b>
Depreciation, amortisation and impairment losses	48.9	43.0
Income tax expense/(income)	24.3	37.4
Financial income <sup>1</sup>	(0.1)	(3.5)
Financial expenses <sup>1</sup>	31.7	11.0
Result from investments accounted for using the equity method	0.0	0.0
Result on disposal of intangible assets and property, plant and equipment	(0.0)	0.0
Other non-cash transactions	3.8	1.9
Change in other assets not attributable to investing or financing activities	0.3	(2.7)
Change in other liabilities not attributable to investing or financing activities	(6.1)	1.9
Change in provisions	(0.5)	1.3
Income tax paid	(2.0)	(53.6)
<b>Cash flow from operating activities</b>	<b>149.2</b>	<b>120.3</b>
Purchases of intangible assets	(12.2)	(14.1)
Purchases of property, plant and equipment	(1.5)	(1.6)
Proceeds from disposal of intangible assets and property, plant and equipment	0.0	0.1
Payments made for investments in financial assets	(0.1)	(0.3)
Proceeds from sale of financial assets	0.0	0.0
Payments made to acquire subsidiaries	-	(0.4)
Payments made in connection with disposal of investments accounted for using the equity method	(29.5)	(25.0)
Interest received	0.0	1.9
Proceeds from disposal of discontinued activities	0.0	-
<b>Cash flow from investing activities</b>	<b>(43.2)</b>	<b>(39.3)</b>

Note: All figures in € millions

# Cash Flow Statement 2/2

(EUR '000)	9M 2016	9M 2017
<b>Cash flow from investing activities</b>	<b>(43,170)</b>	<b>(39,312)</b>
Repayment of short-term financial liabilities	(100,206)	(30,160)
Proceeds from long-term financial liabilities	-	29
Interest paid	(23,046)	(9,048)
Dividends paid	-	(32,280)
<b>Cash flow from financing activities</b>	<b>(123,252)</b>	<b>(71,459)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	(3)	(30)
<b>Change in cash and cash equivalents</b>	<b>(17,218)</b>	<b>9,471</b>
<b>Cash and cash equivalents at start of period</b>	<b>70,639</b>	<b>43,441</b>
<b>Cash and cash equivalents at end of period</b>	<b>53,420</b>	<b>52,912</b>

Note: All figures in € millions

# IR Contact details and Financial Calendar

## Financial Calendar (expected)

Tuesday 14 November 2017	Capital Markets Day

## Half year report 2016

<http://www.scout24.com/en/Investor-Relations/Financial-Publications/Financial-Reports/Financial-reports.aspx>

## Full year report 2016

[report.scout24.com/2016](http://report.scout24.com/2016)

## Investor Relations Contact



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