

Quarterly Statement

Third Quarter 2016

SCOUT 24

Interim consolidated financial statements for the nine months
and the quarter ended September 30, 2016



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Disclaimer:

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of Scout24 Group. These statements may be identified by words such as "may", "will", "expect", "anticipate", "contemplate", "intend", „plan“, „believe“, „continue“, „estimate“ and variations of such words or similar expressions. These forward-looking statements are based on the current views and assumptions of Scout24 management and are subject to risks and uncertainties. Such statements are subject to a number of known and unknown risks and uncertainties and there is no guarantee that the anticipated results and developments will actually materialize. In fact, actual results and developments may differ materially from those reflected in our forward-looking statements. Differences may be due to changes in the general macroeconomic and competitive environment, capital market risks, exchange rate fluctuations, changes in international and national laws and regulations, especially regarding tax laws and regulation, relevant for Scout24, and many other factors. Scout24 undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law.

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.

Key Financial Highlights

(EUR millions)	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
External revenues	110.5	99.2	11.4%	326.3	288.4	13.1%
IS24	71.3	67.9	5.0%	211.5	197.0	7.4%
AS24	37.8	30.0	26.0%	110.5	87.4	26.5%
Ordinary operating EBITDA¹	58.2	49.1	18.5%	167.6	144.6	15.9%
IS24	45.6	41.0	11.2%	133.5	119.2	12.0%
AS24	17.7	11.2	58.0%	47.5	34.9	36.1%
Ordinary operating EBITDA-margin	52.7%	49.5%	3.2pp	51.4%	50.1%	1.3pp
IS24	64.0%	60.4%	3.6pp	63.1%	60.5%	2.6pp
AS24	46.8%	37.3%	9.5pp	43.0%	39.9%	3.1pp
EBITDA²	53.9	40.9	31.8%	153.6	125.7	22.2%
IS24	40.9	38.8	5.4%	120.3	112.1	7.3%
AS24	15.8	10.1	56.4%	41.9	31.7	32.2%
Capital expenditure	4.1	5.5	(25.5)%	13.7	13.8	(0.7)%
Cash contribution³	54.0	43.6	23.9%	153.9	130.8	17.7%
Cash conversion⁴	92.9%	88.8%	4.1pp	91.8%	90.5%	1.3pp

¹ Ordinary operating 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 EBITDA is defined as profit before financial results, income taxes, depreciation and amortisation, impairment write-downs and the result of sales of subsidiaries.

³ Cash contribution is defined as ordinary operating EBITDA less capital expenditure.

⁴ Cash conversion is defined as ordinary operating EBITDA less capital expenditure divided by ordinary operating EBITDA.

Business Development

Group

Scout24 continued to perform strongly in the quarter, driven by the ongoing success of the visibility products at AutoScout24 ("AS24"), a consistent expansion of service activities for users through Scout24 Media and a strong focus on executing on its sales strategy.

Ordinary operating EBITDA in the third quarter 2016 was up by 18.5% compared with the third quarter 2015 to reach EUR 58.2 million. Ordinary operating EBITDA margin increased by 3.2pp to 52.7%.

Reported Group EBITDA for the third quarter 2016 was up EUR 13.0 million compared to the third quarter 2015, reaching EUR 53.9 million. This includes EUR 4.3 million of non-operating costs (Q3 2015: EUR 8.2 million), reflecting EUR 2.4 million of personnel expenses connected with reorganisation measures (Q3 2015: EUR 3.1 million), EUR 1.1 million for the Management Equity Program, EUR 0.6 million of obligations from purchase agreements and EUR 0.2 million of costs connected with corporate acquisitions. Consolidated net income attributable to parent company owners amounted to EUR 19.5 million in the reporting period (Q3 2015: EUR 8.4 million), which corresponds to EUR 0.18 of earnings per share (Q3 2015: EUR 0.08).

The cash contribution in the third quarter of 2016 was up by EUR 10.4 million (23.9%) compared with the same period last year. The Cash Conversion Rate, based on ordinary operating EBITDA, increased to 92.9%. Cash and cash equivalents amounted to EUR 53.4 million as of September 30, 2016 including the cash outflow for voluntary prepayments of the existing syndicated loan in a total amount of EUR 100.0 million in the course of 2016 and for the purchase price of European AutoTrader B.V. in an amount of EUR 27.7 million in Q1 2016 (December 31, 2015: EUR 70.6 million). Net financial debt (nominal value of interest bearing liabilities less cash and cash equivalents) amounted to EUR 627.9 million, compared with EUR 711.3 million as of December 31, 2015. The ratio of net debt to ordinary operating EBITDA over the last 12 months was reduced to 2.95:1 (December 31, 2015: 3.74:1).

ImmobilienScout24 (IS24)

(EUR millions)	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
Revenue from core agents (Germany)	39.2	38.0	3.2%	117.1	110.9	5.6%
Revenue from other agents	8.9	8.3	7.2%	26.3	25.3	4.0%
Other revenues	23.2	21.6	7.4%	68.1	60.7	12.2%
Total external revenues	71.3	67.9	5.0%	211.5	197.0	7.4%
Ordinary operating EBITDA	45.6	41.0	11.2%	133.5	119.2	12.0%
Ordinary operating EBITDA - margin %	64.0%	60.4%	3.6pp	63.1%	60.5%	2.6pp
EBITDA	40.9	38.8	5.4%	120.3	112.1	7.3%
Capital expenditure	2.6	2.9	(10.3)%	7.7	7.6	1.3%

Revenues from core agents increased by 3.2% to EUR 39.2 million driven by a solid ARPU (average revenue per core agent) increase offsetting decreasing core agent numbers. The number of core agents decreased by 2,672 compared with September 2015 from 20,041 to 17,369 at end of September 2016 as a result of churn and partially shift to our main competitors, smaller agents shifting to the professional pay-per-ad model, as well as agents going out of business following the introduction of the so-called "Bestellerprinzip" in June 2015 and market conditions in Germany. The core agent decline decelerated in Q3 2016 compared with previous quarters, driven by a solid increase in our customer regain rate and new customer acquisitions. The revenues from other agents increased by 7.2% driven by an increase in professional pay-per-ad revenues and the real estate marketplaces in Austria. Other revenues increased by 7.4% to EUR 23.2 million in the third quarter of 2016 (Q3 2015: EUR 21.6 million), mainly due to consumer monetization initiatives driven by the cross-Group function Scout24 Media. The private listings revenues remained mainly flat in the third quarter 2016 compared to the same period in 2015.

Due to its superior content, IS24 maintained a strong competitive lead in listings share as well as consumer traffic and engagement in the third quarter of 2016.

AutoScout24 (AS24)

(EUR millions)	Q3 2016	Q3 2015	% change	9M 2016	9M 2015	% change
Revenue from core dealers (Germany)	14.0	11.2	25.0%	40.7	31.2	30.4%
Revenue from core dealers (Benelux/Italy)	12.6	9.1	38.5%	36.1	26.4	36.7%
Revenue from other dealers	3.5	2.9	20.7%	10.2	8.5	20.0%
Other revenues	7.8	6.8	14.7%	23.5	21.3	10.3%
Total external revenues	37.8	30.0	26.0%	110.5	87.4	26.4%
Ordinary operating EBITDA	17.7	11.2	58.0%	47.5	34.9	36.1%
Ordinary operating EBITDA - margin %	46.8%	37.3%	9.5pp	43.0%	39.9%	3.1pp
EBITDA	15.8	10.1	56.4%	41.9	31.7	32.2%
Capital expenditure	1.3	2.5	(48.0)%	5.6	5.9	(5.1)%

External revenues for AS24 accelerated significantly again with an increase of 26.0% compared to the third quarter 2015. Revenues from core dealers in Germany increased by 25.0% to EUR 14.0 million on the back of an increase in core dealer ARPU (average revenue per core dealer) driven by the roll-out of the visibility products and an ongoing expansion of the core dealer base. Benelux and Italy equally performed strongly with revenues from core dealers increasing by 38.5% to EUR 12.6 million. The increase is driven by strong ARPU growth fueled by the roll-out of the visibility products combined with a moderate growth in dealer locations. AutoTrader.nl, acquired in February 2016, contributed EUR 1.5 million to revenue during the third quarter, with EUR 1.3 million being attributable to revenue from core dealers. Other revenues benefit from a solid growth in display advertising revenues.

AS24 sustained its content leadership positions in Belgium, Netherlands and Italy with regards to general classifieds and automotive classified competitors and continued to work on closing the gap towards its competitor in Germany.

Outlook

The business development of Scout24 Group in the third quarter 2016 was in line with the Management Board's expectations and Scout24 is therefore highly confident to reach the targets for the financial year 2016 communicated on August 11, 2016. For details, please refer to our Interim Report for the first half of 2016, which is available at the Investor Relations Section of www.scout24.com. Scout24 will provide an outlook for 2017 at its Full Year 2016 results in March 2017.

Consolidated income statement (IFRS, unaudited)

(EUR '000)	Q3 2016	Q3 2015	9M 2016	9M 2015
Revenues	110,456	99,228	326,328	288,375
Own work capitalised	2,728	2,795	8,189	8,055
Other operating income	367	4,185	1,128	5,741
Total operating performance	113,551	106,207	335,645	302,171
Personnel expenses	-28,208	-24,981	-83,240	-72,850
Advertising expenses	-11,027	-12,138	-35,672	-34,681
IT expenses	-3,062	-2,953	-9,932	-8,885
Other operating expenses	-17,385	-25,256	-53,185	-60,035
EBITDA (Earnings before interest, tax, depreciation and amortisation)	53,870	40,880	153,616	125,719
Depreciation, amortisation and impairment losses	-16,416	-16,198	-48,854	-47,878
EBIT (Earnings before interest and tax)	37,453	24,681	104,761	77,841
Results from investments accounted for using the equity method	19	0	18	-821
Profit from disposal of investments accounted for using the equity method	-	-	-	22,098
Financial income	82	-670	174	3,334
Financial expenses	-8,677	-11,542	-31,739	-34,440
Net financial result	-8,576	-12,212	-31,547	-9,829
Earnings before tax	28,878	12,469	73,214	68,012
Income taxes	-9,399	-4,217	-24,250	-19,782
Earnings after tax	19,479	8,252	48,964	48,230
Of which attributable to:				
Non-controlling interests	-20	-132	-240	-443
Shareholders of the parent company	19,498	8,385	49,204	48,673

Earnings per Share

(in EUR)	Q3 2016	Q3 2015	9M 2016	9M 2015
Basic earnings per share				
Earnings per share after tax	0.18	0.08	0.46	0.49
Diluted earnings per share				
Earnings per share after tax	0.18	0.08	0.46	0.49

Consolidated balance sheet (IFRS, unaudited)

Assets (EUR '000)	09/30/2016	12/31/2015
Current assets	101,341	117,669
Cash and cash equivalents	53,420	70,639
Trade receivables	38,687	37,817
Financial assets	378	333
Income tax receivables	398	285
Other assets	8,348	8,595
Assets classified as held for sale	110	-
Non-current assets	2,046,800	2,055,521
Goodwill	816,231	787,283
Trademarks	983,595	983,685
Other intangible assets	227,894	259,454
Property, plant and equipment	10,384	12,994
Investments accounted for using the equity method	1,666	1,648
Financial assets	620	795
Deferred tax assets	3,827	6,746
Other assets	2,583	2,916
Balance sheet total	2,148,141	2,173,190
Equity and liabilities (EUR '000)	09/30/2016	12/31/2015
Current liabilities	111,294	86,887
Trade payables	18,955	25,642
Financial liabilities	5,712	5,966
Other provisions	4,593	4,662
Income tax liabilities	45,267	15,295
Other liabilities	36,237	35,322
Liabilities directly associated with assets classified as held for sale	530	-
Non-current liabilities	1,062,623	1,164,973
Financial liabilities	676,198	767,913
Pensions and similar obligations	464	527
Other provisions	616	882
Income tax liabilities	235	29
Deferred tax liabilities	382,250	392,961
Other liabilities	2,860	2,661
Equity	974,224	921,330
Subscribed share capital	107,600	107,600
Capital reserve	428,071	424,120
Retained earnings	437,012	387,825
Other reserves	1,094	1,098
Equity attributable to shareholders of parent company	973,777	920,643
Non-controlling interests	447	687
Balance sheet total	2,148,141	2,173,190

Consolidated cash flow statement (IFRS, unaudited)

(EUR '000)	9M 2016	9M 2015
Earnings after tax	48,964	48,230
Depreciation, amortisation and impairment losses	48,854	47,878
Income tax expense/(income)	24,250	19,782
Financial income ¹	-174	-3,334
Financial expenses ¹	31,739	34,440
Result from investments accounted for using the equity method	-18	821
Result from disposal of investments accounted for using the equity method	-	-22,098
Result on disposal of intangible assets and property, plant and equipment	-73	-38
Other non-cash transactions	3,846	-2,266
Change in other assets not attributable to investing or financing activities	304	1,401
Change in other liabilities not attributable to investing or financing activities	-6,066	-2,900
Change in provisions	-466	-5,588
Income taxes paid	-1,953	-2,003
Cash flow from operating activities	149,207	114,324
Purchases of intangible assets	-12,235	-11,921
Purchases of property, plant and equipment	-1,492	-1,596
Prepayments rendered for investing activities	-	-270
Proceeds from disposal of intangible assets and property, plant and equipment	83	98
Payments made for investments in financial assets	-147	-22
Proceeds from sale of financial assets	10	2,725
Payments made to acquire subsidiaries	-29,509	-9,428
Proceeds from disposal of equity accounted investments	-	59,880
Payments made in connection with disposal of equity accounted investments	-	-2,082
Interest received	88	124
Proceeds from disposal of discontinued activities	32	1,700
Cash flow from investing activities	-43,170	39,208

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¹The previous year`s figures has been adjusted: the previously separately reported interest income and interest expense figures as well as the other financial result are now shown as part of Financial income and expenses.

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(EUR '000)	9M 2016	9M 2015
Repayment of short-term financial liabilities	-100,206	-267
Drawing down of medium- and long-term financial liabilities	-	400,000
Repayment of long-term financial liabilities	-	-50,000
Borrowing costs	-	-7,726
Payments for acquisition of derivative financial instruments	-	-55
Proceeds from capital increases	-	7,600
Interest paid	-23,046	-28,206
Dividends paid	-	-421,588
Cash flow from financing activities	-123,252	-100,242
Effect of foreign exchange rate changes on cash and cash equivalents	-3	126
Change in cash and cash equivalents	-17,218	53,416
Cash and cash equivalents at start of period	70,639	21,409
Cash and cash equivalents at end of period	53,420	74,825

Segment information (IFRS, unaudited)

(EUR '000)		Reve- nues from external custo- mers	Inter- segment reve- nues	Total segment reve- nues	EBITDA	Ordinary opera- ting EBITDA	Capital expen- diture
ImmobilienScout24	Q3 2016	71,304	59	71,363	40,862	45,630	2,591
	Q3 2015	67,876	162	68,038	38,825	41,005	2,939
AutoScout24	Q3 2016	37,828	219	38,047	15,848	17,713	1,331
	Q3 2015	30,000	117	30,117	10,066	11,234	2,547
Corporate	Q3 2016	238	9,079	9,317	-2,974	-2,267	215
	Q3 2015	537	2,396	2,933	-7,950	-1,955	23
Total - reportable segments	Q3 2016	109,371	9,356	118,727	53,736	61,076	4,136
	Q3 2015	98,413	2,675	101,088	40,941	50,284	5,509
Other	Q3 2016	1,085	70	1,156	133	188	9
	Q3 2015	814	68	882	-60	207	-
Other reconciling items	Q3 2016	-	-9,426	-9,426	-	-3,094	-
	Q3 2015	1	-2,743	-2,742	-1	-1,377	-
Total (consolidated)	Q3 2016	110,456	-	110,456	53,870	58,170	4,145
	Q3 2015	99,228	-	99,228	40,880	49,114	5,509

(EUR '000)		Reve- nues from external custo- mers	Inter- segment reve- nues	Total segment reve- nues	EBITDA	Ordi- nary opera- ting EBITDA	Capital expen- diture
ImmobilienScout24	9M 2016	211,518	431	211,949	120,346	133,534	7,745
	9M 2015	196,965	453	197,418	112,073	119,232	7,564
AutoScout24	9M 2016	110,495	589	111,084	41,882	47,516	5,635
	9M 2015	87,378	387	87,765	31,657	34,844	5,907
Corporate	9M 2016	1,144	20,245	21,389	-8,962	-5,394	313
	9M 2015	1,657	6,606	8,263	-18,157	-6,376	316
Total - reportable segments	9M 2016	323,157	21,266	344,423	153,266	175,657	13,693
	9M 2015	286,000	7,446	293,446	125,573	147,700	13,787
Other	9M 2016	3,171	205	3,376	350	595	35
	9M 2015	2,375	203	2,578	147	655	3
Other reconciling items	9M 2016	-	-21,471	-21,471	-	-8,700	-
	9M 2015	-	-7,649	-7,649	-1	-3,759	-1
Total (consolidated)	9M 2016	326,328	-	326,328	153,616	167,553	13,728
	9M 2015	288,375	-	288,375	125,719	144,596	13,789

