

INSPIRING PEOPLE

Quarterly Statement
First Quarter 2017

Interim consolidated financial statements for the three months
ended March 31, 2017



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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 material 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 Annual Report 2016 which is available at 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 quarterly financials have not been subject to the audit and thus are labelled "unaudited".

Key Financial Highlights

(EUR millions)	Q1 2017	Q1 2016 ¹	% change
External revenues	113.9	105.8	7.7%
IS24	72.1	69.1	4.3%
AS24	40.4	35.0	15.4%
Ordinary operating EBITDA²	56.5	52.2	8.2%
IS24	44.4	42.4	4.7%
AS24	17.3	13.9	24.5%
Ordinary operating EBITDA-margin- in %²	49.6%	49.3%	0.3pp
IS24	61.6%	61.3%	0.3pp
AS24	42.8%	39.7%	3.1pp
EBITDA³	53.3	48.6	9.7%
IS24	41.0	39.3	4.3%
AS24	15.4	12.6	22.2%
Capital expenditure	4.1	4.9	(16.3)%
Cash contribution⁴	52.4	47.3	10.8%
Cash conversion⁵	93%	91%	2pp

¹ Compared with the Q1 2016 statement, the results related to European AutoTrader B.V., Amsterdam, acquired as at 1. February 2016, were considered since acquisition date (see Q2 2016 statement).

² 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.

³ EBITDA is defined as profit before financial results, income taxes, depreciation and amortisation, impairment write-downs and the result of sales of subsidiaries.

⁴ Cash contribution is defined as ordinary operating EBITDA less capital expenditure.

⁵ 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, mainly driven by strong core dealer ARPU (average revenue per core dealer) increase in the AutoScout24 ("AS24") segment as well as a consistent expansion of consumer monetisation initiatives under the Scout24 Media umbrella in the ImmobilienScout24 ("IS24") Segment.

According to the unaudited consolidated financial statements, Group revenues for the first three months ended 31 March 2017 increased by 7.7% to EUR 113.9 million (Q1 2016: EUR 105.8 million).

The Group's ordinary operating EBITDA improved by 8.2% to EUR 56.5 million. Reported Group EBITDA for the first quarter 2017 was up EUR 4.7 million compared to the first quarter 2016, reaching EUR 53.3 million. It included non-operating costs of EUR 3.2, which essentially consisted of costs related to M&A transactions and personnel expenses. Personnel expenses mainly relate to the reorganisation, but also include share-based compensation for management equity programs as well as performance-based remuneration from share purchase agreements. Consolidated reported net profit for the period was EUR 24,2 million (Q1 2016: EUR 13.1 million), resulting in basic earnings per share of EUR 0.23 (Q1 2016: EUR 0.12).

Cash contribution increased by 10.8% to EUR 52.4 million, supporting Group further deleveraging. Cash and cash equivalents amounted to EUR 73.9 million as of 31 March, highlighting the strong free cash flow generation. Total net financial debt¹ therefore amounted to EUR 603.6 million, leading to a leverage (ratio of ordinary operating EBITDA of the last twelve months to net debt) of 2.64:1 (31 December 2016: 2.82:1).

¹ Total net financial debt is defined as total debt (current and non-current liabilities) less cash and cash equivalents.

ImmobilienScout24 (IS24)

(EUR millions)	Q1 2017	Q1 2016	% change
Revenues from core agents (Germany)	39.2	39.1	0.3%
Revenues from other agents	8.4	8.5	(1.2)%
Other revenues	24.4	21.5	13.5%
Total external revenues	72.1	69.1	4.3%
Ordinary operating EBITDA	44.4	42.4	4.7%
Ordinary operating EBITDA - margin %	61.6%	61.3%	0.3pp
EBITDA	41.0	39.3	4.3%
Capital expenditure	2.5	2.5	(0.0)%

Revenues from core agents were stable year-on-year at EUR 39.2 million supported by a solid ARPU (average revenue per core agent) increase offsetting decreasing core agent numbers. Core agent numbers remained flat throughout the quarter excluding agents going out of business. The number of core agents decreased slightly by 370 agents compared with December 2016 (17,411 agents) to 17,041 agents at end of March 2017 mainly as a result of agents going out of business because of market conditions. Revenues from other agents remained mainly flat year over year. Other revenues increased by 13.5% to EUR 24.4 million in the first quarter of 2017 (Q1 2016: EUR 21.5 million), mainly due to consumer monetization initiatives driven by the cross-Group function Scout24 Media.

Due to its superior content, IS24 maintained its strong competitive lead in listings share as well as consumer traffic and engagement in the first quarter of 2017.

AutoScout24 (AS24)

(EUR millions)	Q1 2017	Q1 2016 ¹	% change
Revenues from core dealers (Germany)	15.9	13.2	20.5%
Revenues from core dealers (Benelux/Italy)	13.4	11.0	21.8%
Revenues from other dealers	3.4	3.2	6.3%
Other revenues	7.6	7.6	0.0%
Total external revenues	40.4	35.0	15.4%
Ordinary operating EBITDA	17.3	13.9	24.5%
Ordinary operating EBITDA -margin %	42.8%	39.7%	3.1pp
EBITDA	15.4	12.6	22.2%
Capital expenditure	1.2	2.3	(47.8)%

¹ Compared with the Q1 2016 statement, the results related to European AutoTrader B.V., Amsterdam, acquired as at 1. February 2016, were considered since acquisition date (see Q2 2016 statement).

External revenues for AS24 continued to grow strongly with a year-on-year increase of 15.4%. Revenues from core dealers increased significantly on a year-to-year basis in both Germany (20.5% to EUR 15.9 million) and Benelux/Italy (21.8% to EUR 13.4 million). This growth was mainly driven by a solid ARPU increase in all geographies on the back of the ongoing success of the visibility products. Revenues from other dealers also saw an increase of 6.3% year-on-year. Other revenues remained stable on the previous year's level.

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 first quarter 2017 was in line with the Management Board's expectations and Scout24 is therefore highly confident to reach the targets for the financial year 2017 communicated on 29 March 2017. For details, please refer to our Annual Report for financial year 2016, which is available at report.scout24.com/2016.

Consolidated income statement (IFRS, unaudited)

(EUR '000)	Q1 2017	Q1 2016 ¹
Revenues	113,858	105,780
Own work capitalised	2,559	2,581
Other operating income	197	372
Total operating performance	116,614	108,733
Personnel expenses	(28,361)	(26,705)
Advertising expenses	(13,870)	(12,684)
IT expenses	(3,823)	(4,237)
Other operating expenses	(17,308)	(16,468)
EBITDA (Earnings before interest, tax, depreciation and amortisation)	53,252	48,639
Depreciation and amortisation	(14,419)	(16,083)
EBIT (Earnings before interest and tax)	38,833	32,556
Results from investments accounted for using the equity method	(11)	(1)
Financial income	1,323	48
Financial expenses	(3,539)	(12,483)
Net financial result	(2,227)	(12,436)
Earnings before tax	36,607	20,120
Income taxes	(12,374)	(7,132)
Earnings after tax	24,233	12,988
Of which attributable to:		
Non-controlling interests	-	(140)
Shareholders of the parent company	24,233	13,128

Earnings per Share

(in EUR)	Q1 2017	Q1 2016
Basic earnings per share		
Earnings per share after tax	0.23	0.12
Diluted earnings per share²		
Earnings per share after tax	0.22	0.12

¹ Compared with the Q1 2016 statement, the following changes occurred: i. consideration of the results related to European AutoTrader B.V., Amsterdam, acquired as at 1 February 2016, since acquisition date (see Q2 2016 statement). ii. In order to increase transparency, the aggregation of expenses was modified partially as at 1 January 2017, in particular a reclass from Other operating expenses to IT expenses. To ensure comparability with the previous year's accounting periods, the corresponding figures were restated retrospectively (EURk 859).

² The dilution is based solely on potential shares deriving from share-based compensation.

Consolidated balance sheet (IFRS, unaudited)

Assets (EUR '000)	31/03/2017	31/12/2016
Current assets	129,816	96,175
Cash and cash equivalents	73,874	43,441
Trade receivables	43,311	43,275
Financial assets	502	406
Income tax receivables	1,030	1,249
Other assets	11,099	7,804
Non-current assets	2,025,183	2,034,722
Goodwill	816,231	816,231
Trademarks	983,451	983,523
Other intangible assets	207,771	217,560
Property, plant and equipment	9,462	9,953
Investments accounted for using the equity method	2,705	1,666
Financial assets	535	535
Deferred tax assets	2,441	3,482
Other assets	2,587	1,772
Balance sheet total	2,154,998	2,130,897
Equity and liabilities (EUR '000)	31/03/2017	31/12/2016
Current liabilities	115,840	112,300
Trade payables	22,257	27,897
Financial liabilities	32,456	31,835
Other provisions	2,520	4,027
Income tax liabilities	24,191	15,870
Other liabilities	34,415	32,671
Non-current liabilities	1,023,483	1,027,827
Financial liabilities	645,045	645,539
Pensions and similar obligations	461	443
Other provisions	613	632
Income tax liabilities	58	29
Deferred tax liabilities	374,844	378,579
Other liabilities	2,463	2,605
Equity	1,015,676	990,770
Subscribed share capital	107,600	107,600
Capital reserve	427,778	427,570
Retained earnings	479,274	455,041
Measurement of pension obligations	(88)	(85)
Other reserves	1,112	1,107
Treasury shares (0 shares, previous year 13,400 shares)	-	(463)
Equity attributable to shareholders of parent company	1,015,676	990,770
Non-controlling interests	-	-
Balance sheet total	2,154,998	2,130,897

Consolidated cash flow statement (IFRS, unaudited)

(EUR '000)	Q1 2017	Q1 2016
Earnings after tax	24,233	12,988
Depreciation and amortisation	14,419	16,083
Income tax expense/(income)	12,374	7,132
Financial income ¹	(1,323)	(48)
Financial expenses ¹	3,539	12,483
Result from investments accounted for using the equity method	11	1
Result on disposal of intangible assets and property, plant and equipment	2	(2)
Other non-cash transactions	672	1,092
Change in other assets not attributable to investing or financing activities	(4,146)	(1,797)
Change in other liabilities not attributable to investing or financing activities	(4,037)	(6,768)
Change in provisions	(1,514)	(705)
Income taxes paid	(6,497)	(2,401)
Cash flow from operating activities	37,733	38,058
Purchases of intangible assets	(3,396)	(4,265)
Purchases of property, plant and equipment	(677)	(590)
Proceeds from disposal of intangible assets and property, plant and equipment	3	5
Payments to acquire financial assets	(141)	-
Proceeds from sale of financial assets	47	155
Payments for acquisitions of at equity investments	(100)	-
Payments made to acquire subsidiaries	-	(27,745)
Interest received	2	12
Cash flow from investing activities	(4,262)	(32,428)
Repayment of short-term financial liabilities	(44)	(52)
Interest paid	(2,997)	(8,426)
Cash flow from financing activities	(3,041)	(8,478)
Effect of foreign exchange rate changes on cash and cash equivalents	3	(8)
Change in cash and cash equivalents	30,433	(2,856)
Cash and cash equivalents at start of period	43,441	70,639
Cash and cash equivalents at end of period	73,874	67,783

¹ The previous year`s figures have 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.

Segment information (IFRS, unaudited)

(EUR '000)		Revenues from external customers	Inter-segment revenues	Total segment revenues	EBITDA	Ordinary operating EBITDA	Capital expenditure
ImmobilienScout24	Q1 2017	72,110	36	72,145	41,030	44,447	2,454
	Q1 2016	69,148	207	69,355	39,254	42,399	2,511
AutoScout24	Q1 2017	40,364	0	40,364	15,350	17,293	1,189
	Q1 2016	35,051	151	35,202	12,609	13,919	2,306
Corporate	Q1 2017	197	14,399	14,596	(3,200)	(2,530)	429
	Q1 2016	562	5,187	5,748	(3,338)	(1,850)	28
Total – reportable segments	Q1 2017	112,671	14,434	127,105	53,181	59,209	4,072
	Q1 2016	104,761	5,545	110,307	48,525	54,470	4,845
Other	Q1 2017	1,187	428	1,615	72	83	-
	Q1 2016	1,018	68	1,086	115	233	10
Other reconciling items	Q1 2017	-	(14,862)	(14,862)	-	(2,823)	-
	Q1 2016	-	(5,613)	(5,613)	(2)	(2,523)	1
Total (consolidated)	Q1 2017	113,858	-	113,858	53,252	56,469	4,072
	Q1 2016	105,780	-	105,780	48,639	52,180	4,856

Reconciliation ordinary operating EBITDA

The following table shows the reconciliation of the Group's ordinary operating EBITDA and EBITDA to the IFRS pre-tax result from continuing operations:

Group (EUR '000)	Q1 2017	Q1 2016
Ordinary operating EBITDA	56,469	52,180
Non-operating cost	(3,217)	(3,541)
of which personnel expenses	(2,183)	(2,719)
of which attributable to M&A transactions	(980)	(618)
of which other non-operating costs	(54)	(204)
EBITDA	53,252	48,638
Depreciation and amortisation	(14,419)	(16,083)
Results from investments accounted for using the equity method	(11)	(1)
Other financial result	(2,216)	(12,435)
EBIT	36,607	20,120

