

Scout24 SE publishes preliminary figures for Q4 and full year 2021: Transaction-based business model gains momentum

- Full year guidance for 2021 met and outlook for 2022 confirmed
- Group revenue up 10.0% year-on-year at EUR 389.0 million, Q4 revenue grows by 11.7%
- Residential Real Estate revenue grows by 13.8% for the full year and by 16.6% in Q4 – strong core agent business benefitting from growth products
- Ordinary operating EBITDA up 5.0% at EUR 222.8 million, and up 6.3% in Q4
- Additional share buyback program of up to EUR 350 million announced

Munich/Berlin, 1 March 2022

In the 2021 financial year, the Scout24 Group consistently pursued its strategy with a focus on the real estate transaction. This results in a more diversified revenue structure and increased growth potential. Aside from listings for the marketing of real estate, Scout24 increasingly provides products that digitise real estate transactions – such as buying / selling, renting (for both tenants and landlords) as well as managing real estate –and make them more efficient. The Group managed to grow revenue by 10.0% year-on-year to EUR 389.0 million (2020: EUR 353.8 million), thereby slightly exceeding revenue growth guidance of around 9% as specified in November 2021. At a margin of 57.3%, ordinary operating EBITDA was within the guidance range of 57% to 58%.

The 10.0% increase in Group revenue includes the acquisitions of immoverkauf24, Vermietet.de and Propstack. Without these additions, the Scout24 Group would have still achieved a revenue growth of 8.3% and an ordinary operating EBITDA margin of 59.0% in the 2021 financial year.

“For more than two decades, Scout24 has been one of the pioneers in digitizing real estate brokerage. Time and again, we were quick to identify and drive new trends early. The same applies to our product innovations, which are paving the way to a transaction-supporting platform. These are currently not only our biggest growth drivers, they are also helping us to diversify our revenue structure and tap into new market potential that will sustainably drive our growth in the future,” says Tobias Hartmann, CEO of Scout24 SE.

“We have achieved what we set out to do. Our growth products and acquisitions have added momentum to our core business. The strategy presented at the Capital Markets Day will deliver attractive double-digit growth in the coming years. To this end, we will continue to invest in employees, technology, and products, but also to distribute capital to our shareholders in the form of dividends and share buybacks. With that we create value for all our stakeholders,” adds Dirk Schmelzer, CFO of Scout24 SE.

The shifted revenue mix resulting from this transaction-based growth strategy initially requires a change of cost structures, which leads to earnings at first growing more slowly than revenue. Accordingly, the Group's ordinary operating EBITDA came to EUR 222.8 million in the 2021 financial year, a year-on-year increase of 5.0% (2020: EUR 212.3 million). At 57.3%, the Group's ordinary operating EBITDA margin was down 2.7 percentage points year-on-year, as forecasted (2020: 60.0%).

KEY FINANCIAL INDICATORS (PRELIMINARY, UNAUDITED)

EUR million unless otherwise indicated	FY 2021	FY 2020	Change
Group revenue	389.0	353.8	+10.0%
Group ordinary operating EBITDA ¹	222.8	212.3	+5.0%
<i>Group ordinary operating EBITDA margin in %</i>	<i>57.3%</i>	<i>60.0%</i>	<i>-2.7pp</i>
Group EBITDA ²	200.8	198.3	+1.3%
Group earnings per share (basic)	1.03	1.00	+3.0%
Adjusted Group earnings per share (basic) ³	1.52	1.24	+22.6%

¹ Ordinary operating EBITDA is EBITDA adjusted for non-operating effects, mainly expenses for share-based payments, M&A activities (realised and unrealised), reorganisation measures and other non-operating effects.

² Group (unadjusted) EBITDA is defined as earnings before the financial result, income taxes, depreciation, amortisation and any impairment losses or reversals of impairment losses.

³ Adjusted (1) for non-operating effects, which are also used to determine the ordinary operating EBITDA, (2) for PPA amortisation and impairment of acquired intangible assets, and (3) for financial result effects primarily stemming from the AS24 transaction and from the adjustment of purchase price liabilities. The nominal tax rate is applied to the adjusted earnings.

Strong Q4 with significant acceleration in growth

In the context of the year 2021, the fourth quarter was outstanding. Revenue and earnings growth accelerated further. The Residential Real Estate segment was the most notable with revenue growth of 16.6% in the fourth quarter. As the integration of immoverkauf24 was already completed in the first half of 2021, this growth was almost exclusively of organic nature. This impressively underscores the growth potential of Scout24's transaction-based strategy.

Residential Real Estate segment benefits from growth products

The Residential Real Estate segment's revenue increased by 13.8% to EUR 288.4 million in the 2021 financial year (2020: EUR 253.4 million). In the fourth quarter, the segment generated a record revenue of EUR 76.0 million (Q4 2020: EUR 65.2 million). Mainly contributing to this strong growth were transaction-related revenue from seller leads for agents and revenue from Plus products for consumers. Revenue from seller leads increased by around 87% to EUR 32.2 million (including immoverkauf24 revenue of EUR 10.8 million), while revenue from Plus products (including SCHUFA reports) rose by around 33% to EUR 54.2 million. Average revenue per user (ARPU) with residential real estate partners – Scout24's traditional core business – increased by 5.8%, while the number of customers rose by 709 (smaller) customers to 17,922. In Q4, compared with the same quarter of the previous year, ARPU even increased by 8.4%.

Ordinary operating EBITDA margin in the Residential Real Estate segment was 59.5% in the 2021 financial year, down 3.7 percentage points year-on-year. In Q4 2021, the margin declined 3.1 percentage points to 59.5%. This development is on the one hand attributable to higher operating costs and on the other hand reflects the changed revenue mix associated with the growth strategy: revenue from one-off listings is increasingly being replaced by revenue from Plus products and leads, which is growing significantly faster than the core membership business with real estate agents.

Business Real Estate segment still weighed down by Covid-19 pandemic

Revenue in the Business Real Estate segment remained relatively stable in the 2021 financial year and in Q4, each compared with the same period of the previous year. It amounted to EUR 68.9 million for the full year 2021 and EUR 17.5 million in Q4 2021. The continued contraction of the commercial real estate agent business on account of Covid-19 effects was almost completely offset by the growing project developer business. ARPU in the Business Real Estate segment and the number of business real estate partners changed only slightly.

The Business Real Estate segment's ordinary operating EBITDA margin increased by 0.8 percentage points year-on-year to 72.0% in 2021. Compared with the same quarter of the previous year, it decreased by 1.1 percentage points to 69.9% in Q4.

Dynamic Austrian business a major pillar for the Media & Other segment

The Media & Other segment revenue increased by 11% year-on-year to EUR 31.3 million, while there was a slight decrease in Q4. The ImmoScout24 Austria business grew strongly with revenue up 22.2% and the third-party media business contracted due to market and pandemic-related factors.

At the same time, the ordinary operating EBITDA margin in the Media & Other segment decreased by 4.8 percentage points to 33.9% in 2021. In Q4, it decreased by 3.4 percentage points to 32.0%.

KEY FINANCIAL FIGURES FOR THE SEGMENTS (PRELIMINARY, UNAUDITED)

(EUR million, unless otherwise indicated)	Q4 2021	Q4 2020	Change	FY 2021	FY 2020	Change
Group revenue	101.9	91.2	+11.7%	389.0	353.8	+10.0%
of which Residential Real Estate	76.0	65.2	+16.6%	288.4	253.4	+13.8%
of which Residential Real Estate partners	51.7	46.3	+11.6%	199.8	176.2	+13.4%
<i>ARPU¹ residential real estate partners (EUR, monthly)</i>	<i>777</i>	<i>717</i>	<i>+8.4%</i>	<i>757</i>	<i>716</i>	<i>+5.8%</i>
of which Consumers	24.3	18.9	+28.8%	88.5	77.2	+14.7%
of which Business Real Estate	17.5	17.5	-0.1%	68.9	69.1	-0.3%
<i>ARPU¹ with business real estate partners (EUR, monthly)</i>	<i>1,786</i>	<i>1,801</i>	<i>-0.8%</i>	<i>1,757</i>	<i>1,754</i>	<i>+0.2%</i>
of which Media & Other	8.2	8.3	-1.4%	31.3	31.0	+1.1%
of which holding revenue	0.1	0.1	-2.5%	0.4	0.3	+38.6%
Group ordinary operating EBITDA²	58.1	54.7	+6.3%	222.8	212.3	+5.0%
of which Residential Real Estate	45.2	40.8	+10.8%	171.5	160.1	+7.1%
of which Business Real Estate	12.3	12.4	-1.5%	49.6	49.2	+0.8%
of which Media & Other	2.6	3.0	-10.9%	10.6	12.0	-11.5%
Group ordinary operating EBITDA margin in %	57.1%	60.0%	-2.9pp	57.3%	60.0%	-2.7pp
<i>of which Residential Real Estate</i>	<i>59.5%</i>	<i>62.6%</i>	<i>-3.1pp</i>	<i>59.5%</i>	<i>63.2%</i>	<i>-3.7pp</i>
<i>of which Business Real Estate</i>	<i>69.9%</i>	<i>71.0%</i>	<i>-1.0pp</i>	<i>72.0%</i>	<i>71.2%</i>	<i>+0.8pp</i>
<i>of which Media & Other</i>	<i>32.0%</i>	<i>35.5%</i>	<i>-3.4pp</i>	<i>33.9%</i>	<i>38.7%</i>	<i>-4.8pp</i>

¹ Average revenue per user per month, calculated by dividing the revenue generated with the respective partners in the reported period by the average number of partners in the same period and further divided by the number of months in the corresponding period.

² Ordinary operating EBITDA is EBITDA adjusted for non-operating effects, mainly expenses for share-based payments, M&A activities (realised and unrealised), reorganisation measures and other non-operating effects.

Group earnings influenced by non-operating costs

In the 2021 financial year, Scout24 classified costs totalling EUR 22.0 million as non-operating effects. This is 56.5% above the previous year's level (2020: EUR 14.0 million). The steep year-on-year increase comes primarily from higher M&A costs (2021: EUR 6.9 million; 2020: EUR 1.5 million). The most important example of a successfully completed acquisition in 2021 is the acquisition of Vermietet.de. Share-based compensation contributed EUR 10.7 million to non-operating costs. This is 53.3% more than in the previous year (2020: EUR 7.0 million), primarily resulting from adjusted assessments within the 2018 long-term incentive program (LTIP) and the launch of a new LTIP in 2021.

Considering these costs, the Group's (unadjusted) EBITDA increased by 1.3% to EUR 200.8 million (2020: EUR 198.3 million).

Depreciation, amortisation and impairments increased by 22.5% from EUR 51.5 million in 2020 to EUR 63.1 million in 2021. Of that amount, EUR 33.3 million (2020: EUR 31.6 million) relate to amortisation of intangible assets recognised as part of purchase price allocations (PPA amortisation). At EUR 30.3 million, the largest share of this figure was the final amortisation instalment for the ImmoScout24 customer base. A further EUR 24.2 million was attributable to other depreciation and amortisation (2020: EUR 19.9 million) and EUR 5.1 million to an impairment of the FLOWFACT trademark. As a result, Group EBIT decreased by 6.1% from EUR 146.8 million in 2020 to EUR 137.7 million in 2021. With a slightly lower financial result year-on-year of minus EUR 5.0 million and income tax expenses up 6.8% to EUR 42.1 million (2020: EUR 39.5 million), earnings after tax decreased by 11.6% to EUR 90.6 million (2020: EUR 102.4 million).

Based on a lower volume-weighted average number of shares compared to the previous year of 88,059,505, the share buybacks carried out in the 2021 financial year still resulted in a 3.0% increase in (basic) earnings per share to EUR 1.03 (2020: EUR 1.00; number of shares: 102,144,808). This includes a number of non-operating effects that are significantly above previous year's level. PPA amortisation and impairment of acquired intangible assets were also higher year-on-year. Adjusted for these effects, earnings per share would be 22.6% higher at EUR 1.52 (2020: EUR 1.24).

Balance sheet structure characterised by focus on real estate business

Scout24's consolidated statement of financial position now clearly shows the focus on the ImmoScout24 business. By the end of the 2021 financial year, the proceeds from the sale of AutoScout24 had largely been returned to lenders and shareholders. Primarily as a result of the share buybacks with a volume of over EUR 1 billion that were carried out for this purpose in 2021, total assets decreased from EUR 3.5 billion to EUR 2.4 billion. In addition, the lower number of shares outstanding had a positive effect on earnings per share.

Additional share buyback program of up to EUR 350 million announced

As the Scout24 balance sheet is still characterised by a high net cash position, the Management Board and Supervisory Board have decided to launch an additional share buyback program with a total volume of up to EUR 350 million. It is expected to start in March 2022 as a direct follow-up to the 200 million Euro program concluded in mid-February. The new share buyback program can be executed in one or more tranches and shall be completed by the Annual General Meeting in 2023 at the latest. In order to be able to utilise the full volume, the authorisation to acquire treasury shares shall be renewed at the next Annual General Meeting in June 2022.

Furthermore, Scout24 confirms its share buyback strategy communicated at the Capital Markets Day, which targets a leverage (ratio of net debt to ordinary operating EBITDA of the last twelve months) of around zero. Based on the highly cash-generative business model of Scout24, the application of this strategy could lead to further share buybacks in the next years of EUR 150 million on average.

New segment structure

At the Capital Markets Day, Scout24 announced that it would adjust its segment structure in the 2022 financial year. This is being done in context of the growth strategy that is geared even more closely to the needs of private and professional customers. By contrast, the legacy segmentation was primarily based on the type of real estate (residential or commercial). Accordingly, reporting will be structured by three segments going forward: Professional, Private and Media & Other.

The following table compares Group revenue in 2021 and 2020 between the two segment structures:

PREVIOUS SEGMENT STRUCTURE (PRELIMINARY, UNAUDITED)				FUTURE SEGMENT STRUCTURE (PRELIMINARY, UNAUDITED)			
EUR million	2021	2020	Change	EUR million	2021	2020	Change
Group revenue	389.0	353.8	+10.0%	Group revenue	389.0	353.8	+10.0%
of which Residential Real Estate	288.4	253.4	+13.8%	of which Professional	262.7	238.2	+10.3%
of which Business Real Estate	68.9	69.1	-0.3%	of which Private	94.6	84.3	+12.2%
of which Media & Other	31.3	31.0	+1.1%	of which Media & Other	31.7	31.3	+1.4%
of which holding revenue	0.4	0.3	+38.6%	of which holding revenue	-	-	-
Ordinary operating EBITDA	222.8	212.3	+5.0%	Ordinary operating EBITDA	222.8	212.3	+5.0%
Ordinary operating EBITDA margin	57.3%	60.0%	-2.7pp	Ordinary operating EBITDA margin	57.3%	60.0%	-2.7pp

Further growth momentum planned in 2022

Scout24 plans further growth momentum in 2022 on the back of:

- Membership upgrades and pricing
- More seller leads (RLE and immoverkauf24 products)
- Enhance mortgage business
- Increase number of Plus product subscribers
- Increase number of Vermietet.de units / landlords

Against this background, Scout24 has budgeted Group revenue growth of between 11% and 12% for the financial year 2022. As this revenue growth is to be generated through additional investments, Scout24 anticipates less growth momentum in Group ordinary operating EBITDA. Here, growth is expected to be between 6% and 8% in 2022.

Looking at the new segment structure, Scout24 expects revenue growth between 10% and 12% in the Professional segment, mainly driven by seller leads and mortgage leads on top of core membership growth. Revenue in the Private segment is expected to increase between 12% and 14%, mostly from Plus products and the Vermietet.de platform. Revenue in the Media & Other segment is likewise expected to increase between 12% and 14%. Aside from the anticipated recovery of the advertising business and FLOWFACT, the acquisition of Propstack will contribute to growth, while the ImmoScout24 Austria business is expected to continue to show strong revenue momentum as well.

In the years after 2022, Scout24 anticipates an average annual revenue growth of around 12%. In terms of EBITDA, growth is expected to accelerate significantly from 2023 onwards, driven by the completion of growth investments in 2022 and economies of scale.

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Conference call

On 1 March 2022 at 15:00 CET, Scout24 will hold a webcast and conference call on the preliminary financial results for 2021.

Link to the live webcast (without telephone dial-in): <https://www.webcast-eqs.com/scout2420220301>

Financial analysts and investors can dial into the conference call using the following dial-in numbers:

DE: +49 (0)69 22222 5197

UK: +44 (0)330 336 9601

USA: +1 646-828-8073

Participant code: 6751774

Conference call participants can view the presentation slides live by clicking on the following link:

<https://www.webcast-eqs.com/scout2420220301/no-audio>

A recording of the conference is available at: <https://www.webcast-eqs.com/scout2420220301>

Next reporting dates

Scout24 will publish the annual report for the 2021 financial year on Thursday, 24 March 2022.

About Scout24

Scout24 is one of the leading digital companies in Germany. With the digital marketplace ImmoScout24, for residential and commercial real estate, we successfully bring together homeowners, real estate agents, tenants, and buyers - and we have been doing so for more than 20 years. With more than 20 million users per month on the website or in the app, ImmoScout24 is the market leader for digital real estate listing and search. To digitise the process of real estate transactions, ImmoScout24 is continually developing new products and building up an ecosystem for renting, buying, and commercial real estate in Germany and Austria. Scout24 is a listed stock corporation (ISIN: DE000A12DM80, Ticker: G24) and member of the MDAX and the DAX50 ESG. Further information is available on [Twitter](#) and [LinkedIn](#). Since 2012, ImmoScout24 has also been active in the Austrian real estate market.

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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. Alternative performance measures used by Scout24 are defined in the corresponding place in the financial reports. The special items used to calculate some alternative performance measures arise from the integration of acquired businesses, reorganisation measures, impairment losses, gains or losses on sale resulting from divestitures and the sale of shareholdings, and other expenses and income that generally do not arise in conjunction with Scout24's ordinary business activities.

Due to rounding, numbers presented throughout this release may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason.

The Q4 and full year 2021 figures contained in this document were neither audited in accordance with §317 HGB nor reviewed by an auditor. The figures mentioned in this document are preliminary and can be subject to changes until the publication of the Annual Report 2021.