

# TOMORROW FOCUS AG

## Corporate presentation

Dr Dirk Schmelzer, CFO

December 2014

# Our segments: Travel, Subscription and Publishing

## Distribution of revenues Q1-3 2014

In percent

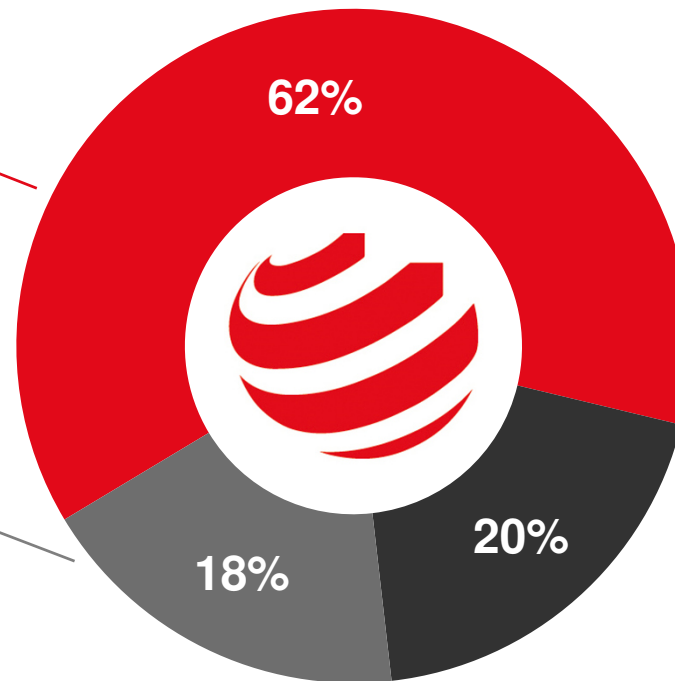
### Travel



### Publishing



THE HUFFINGTON POST

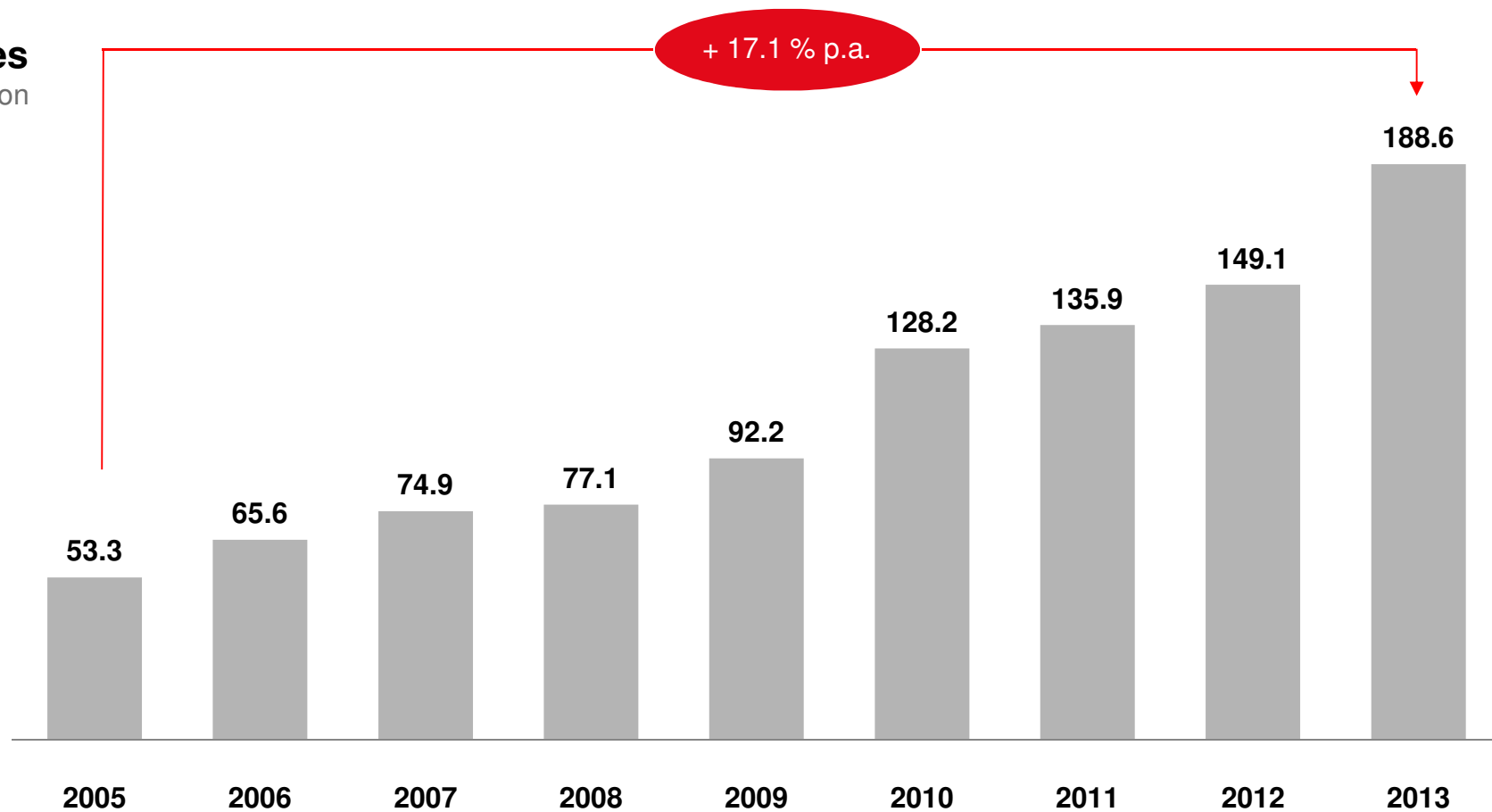


### Subscription



# TOMORROW FOCUS with continuous increase in revenue

**Revenues**  
in EUR million



# Travel segment

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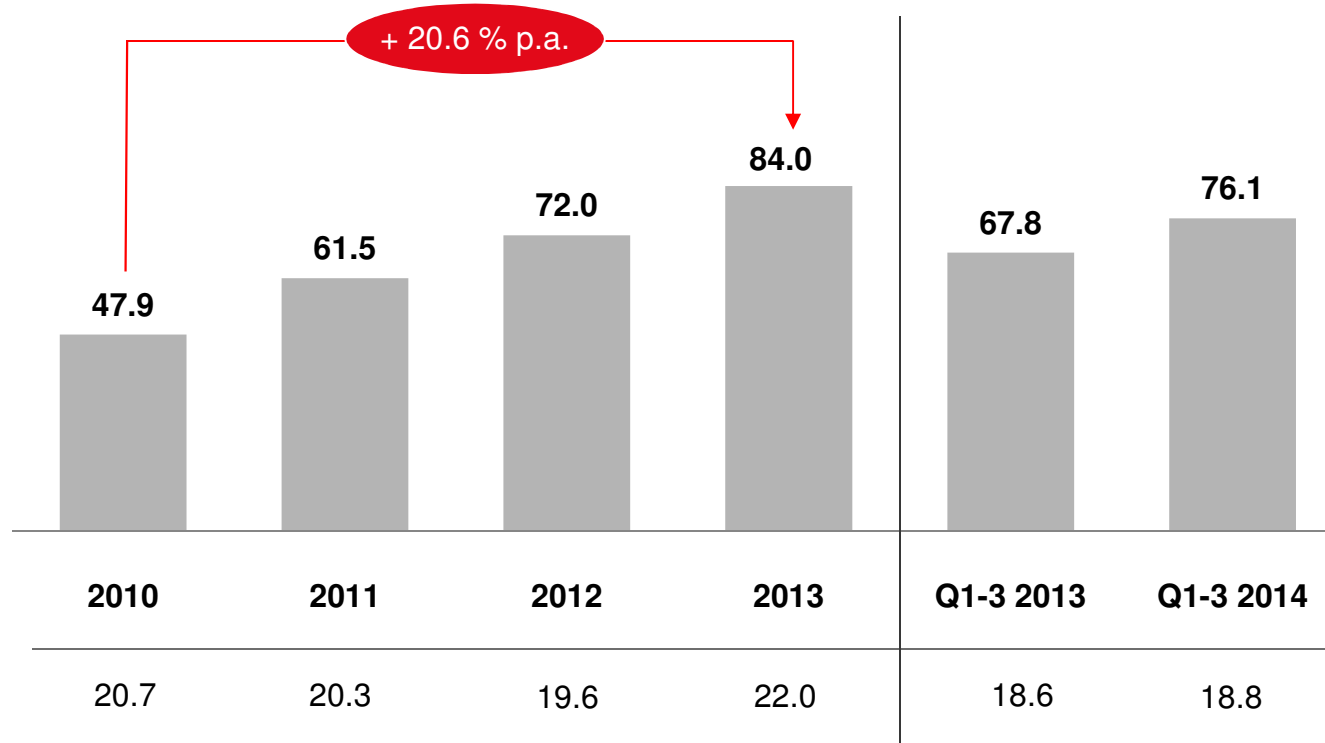


We help our **customers** find the **right accommodation** and **activities** for their trip by providing them with **relevant information, high quality content** and an interactive community.

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# Travel segment: Revenue and EBITDA

**Revenues\***  
in EUR million



**EBITDA\***  
in EUR million

20.7	20.3	19.6	22.0	18.6	18.8
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\*excluding revenues and EBITDA of Ecotour (RPC Voyages SAS)

# Travel portfolio



**HolidayCheck.com**  
★★★★★


Leading hotel rating and booking portal for online package holidays in Germany, Austria and Switzerland.



**zoover**  
holiday reviews

Leading hotel rating and booking portal in Benelux.

Leestmotes	Arka	Hapimag Hochauferland, Duitsland	23-25 jan	4 dgn	€ 155,-
Wiegickets	Le Pracond****	Zwitserland	23-25 jan	5 dgn	€ 207,-
Autovoorhuis	Rapa***	Portugal	29-31 jan	8 dgn	€ 238,-
Boek een hotel	Roc Lago Roja****	Spanje	29-31 jan	2 dgn	€ 256,-
	SENTIDO Amarq****	Spanje	23-25 jan	2 dgn	€ 257,-



**Jingo**  
DE VAKANTIEPARTNER

Dutch online travel agency for package holidays.

Accommodatie of plaats:  Vervoer:  Periode:  Uitgevoerd zoeken:

Populaire plaatsen in Turkije:

- Marmaris
- Alanya
- Turgutreis
- Lara
- Kizilirmaci
- Bodrum
- Konakli
- Gumbet
- Tasikentli

Populaire plaatsen in Spanje:

- Maspalomas
- Playa de las Americas
- Playa de Maro
- Playa del Ingles
- San Agustin
- Puerto Rico
- Costa Adeje
- Playa Blanca
- Costa del Silencio

# Travel Segment of TOMORROW FOCUS AG: the leading European travel review site (1/2)

**6 + 7**  
Country offerings<sup>1</sup>



**European focus**

**10M**  
Unique visitors  
per month<sup>2</sup>



**Strong community**

**11M**  
Reviews<sup>3</sup>



**High quality content**

**3M**  
App downloads<sup>3</sup>



**Mobile excellence**

**HC in Germany and Zoover in Netherlands already clear market leader among travel portals in terms of traffic and reviews**

1) Strong footprint in 6 countries and seed presence in further 7 countries; 2) Average 1. HY 2014; 3) As of September 2014  
Note: PoI = Point of Interest Source: TFAG, Zoover, HolidayCheck, AGOF

# Travel Segment of TOMORROW FOCUS AG: the leading European travel review site (2/2)

**1.4M**

Passengers  
2013



**Broad customer base**



**612K**

Bookings  
2013

**>120**

Tour operators



**Strong product base**



**530K**

Hotels bookable

**€570M**

TTV package 2013



**Leading market player**



**€718M**

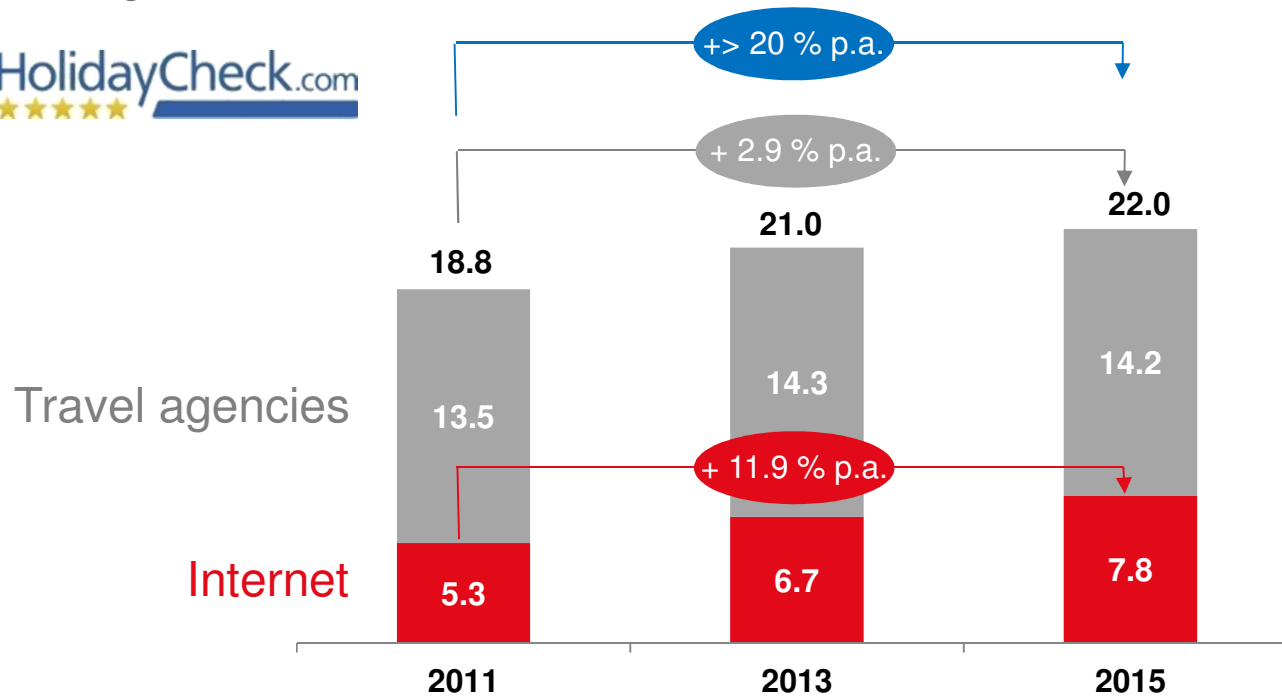
TTV total 2013

Note: TTV = Total Travel Volume  
Source: Zoover, HolidayCheck

# Growth drivers: Online package holidays offer top potential in our markets

## Package holidays in A, B, CH, GER and NL\*

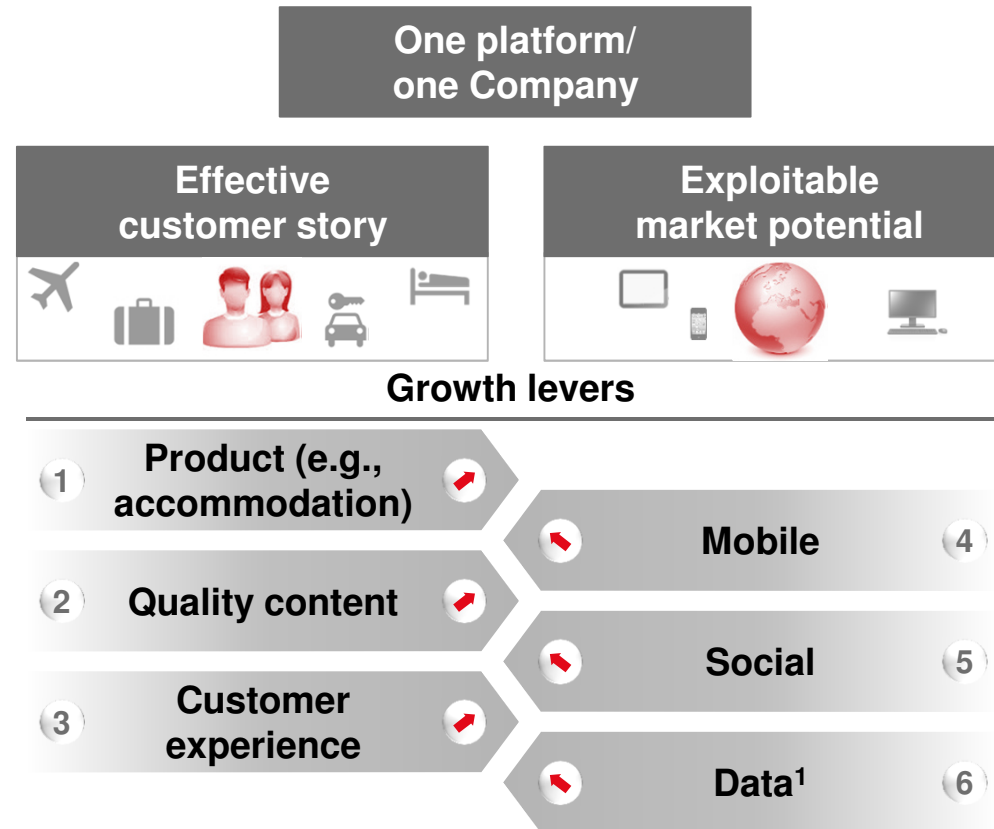
Gross booking volume in EUR billion



<b>Market share travel agencies</b>	<b>72%</b>	<b>68%</b>	<b>65%</b>
<b>Market share Internet</b>	<b>28%</b>	<b>32%</b>	<b>35%</b>

\*PhoCus Wright Inc. and TF estimates; \*\* CAGR based on net revenue 2013

# Travel segment: Six levers driving the growth story



**Growth levers driving traffic, conversion and monetization of Travel segment in selected European markets**

Source: TOMORROW FOCUS AG

# Travel strategy: Besides package holidays, further major growth fields include city-break and selected internationalization

## Expand package holidays

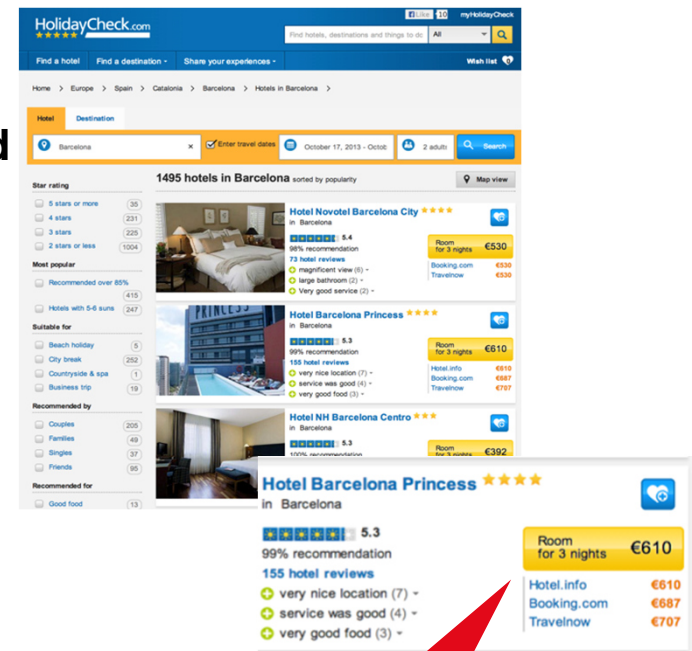
- Build on leading position in **core market (GER, A, CH and Benelux)**
- Broaden relevance in **short and long-haul**

## Improve position in city-break business

- Gain relevance in hotel-only through **meta-search technology and partnerships**
- Invest in **content for city** and **Point of Interest (POI)**

## Selective invest in international business

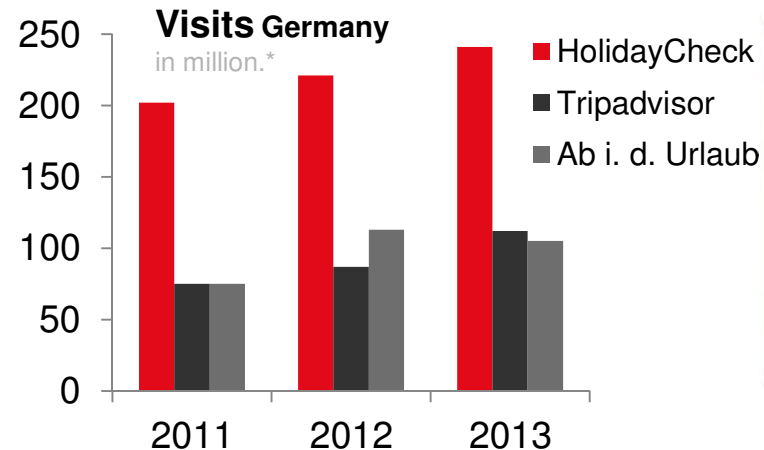
- Clear focus on our core market in **Austria & Switzerland**
- Grow in **selected markets** (e.g. Poland) via business model based on **meta-search and click-out**



meta-search  
experience

# Tasks for 2014 – invest in traffic sources to accelerate growth and gain relevance in meta search to drive conversion

Accelerate market share



- Continuous invest in TV, SEO and SEM

Product Innovation

- Gain relevance in meta-search to drive conversion
- Accelerate Mobile based on customer needs
- Reviews up, e.g. with Miles & More cooperation

Partner von  
**Miles & More**  
Lufthansa

Integrate new businesses

- Further integration of assets in the Netherlands
- Build-up global IT platform - frontend and backend - for seamless user experience across devices

\*Source: IVW

# Publishing segment

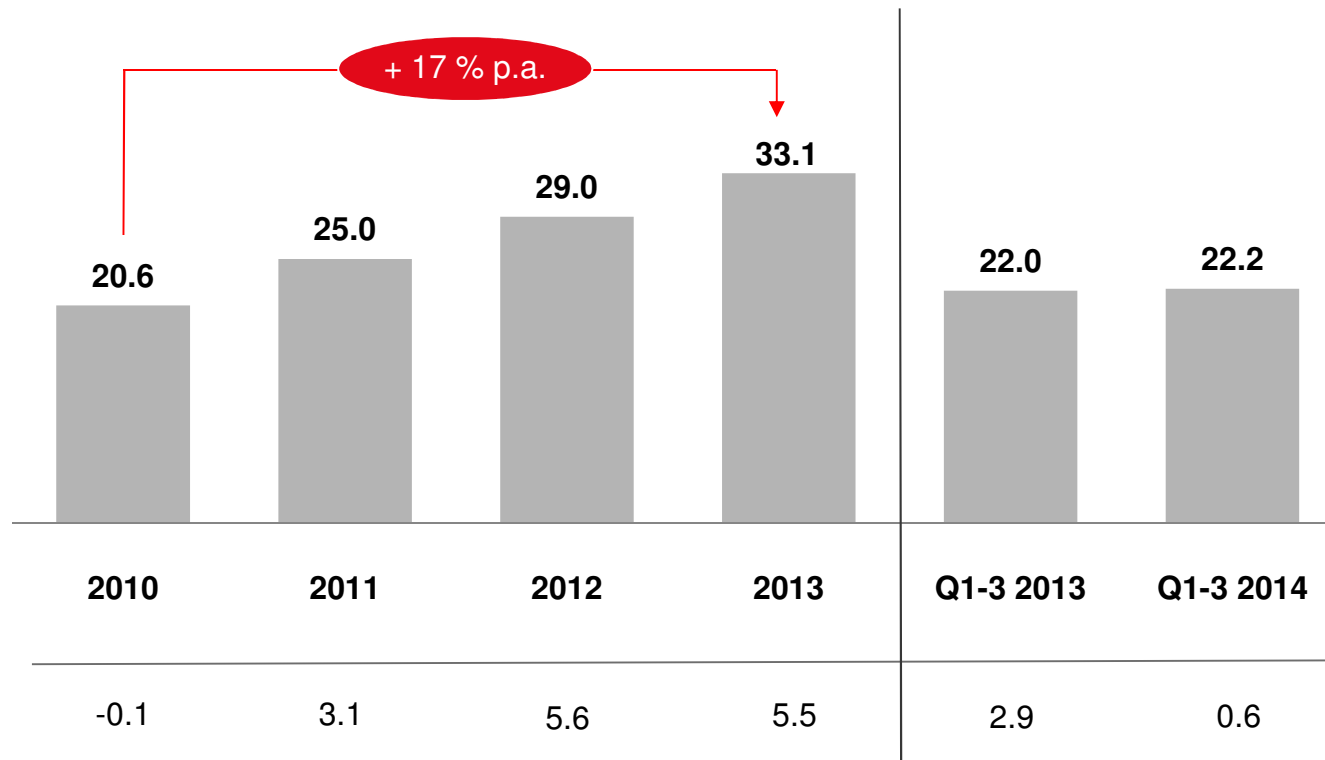
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We monetize wide-reach **premium** editorial **content** in attractive **markets**

# Publishing segment: Revenue and EBITDA

**Revenues\***  
in EUR million



**EBITDA\*\***  
in EUR million

\* incl. adjustments for Adjug Ltd (sold in August 2011); \*\* incl. adjustments for Adjug Ltd (sold in August 2011) and excl. one-off effects of sold companies

# Publishing portfolio



Integrated ad network – high quality own and third party content



#2 news portal in Germany with lean cost structure and high reach

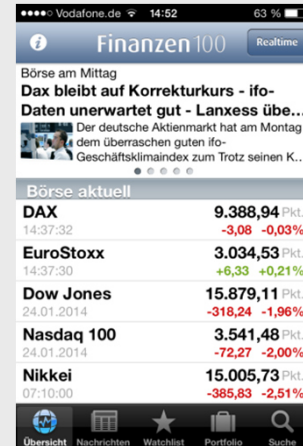


THE HUFFINGTON POST

Engagement and news platform with strong blogger and user community



#2 parental portal in Germany with strong user community

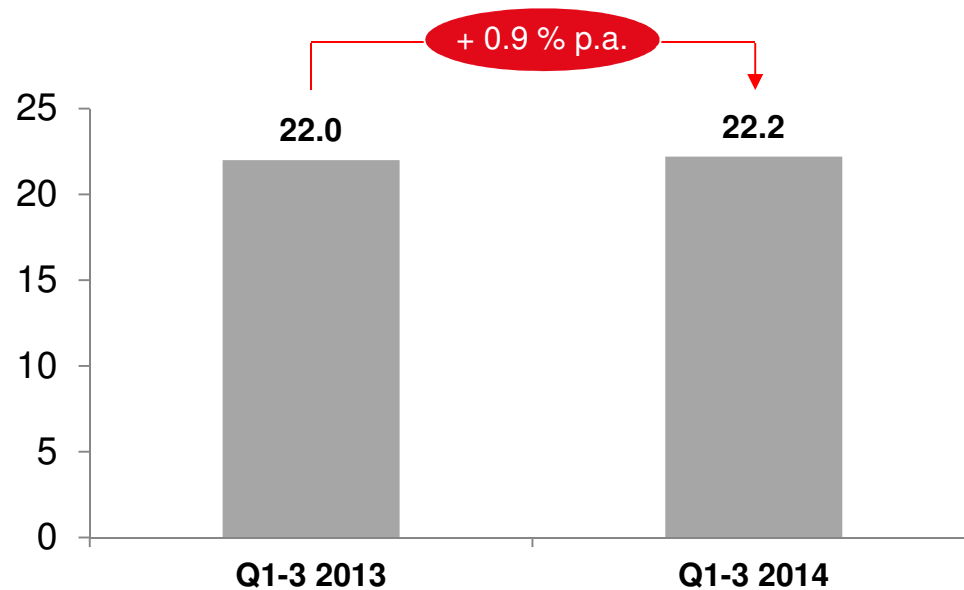


#1 stock market app in Germany with successful mobile first strategy

# Strong traffic growth of owned publishing portals does not yet have an effect on revenue growth

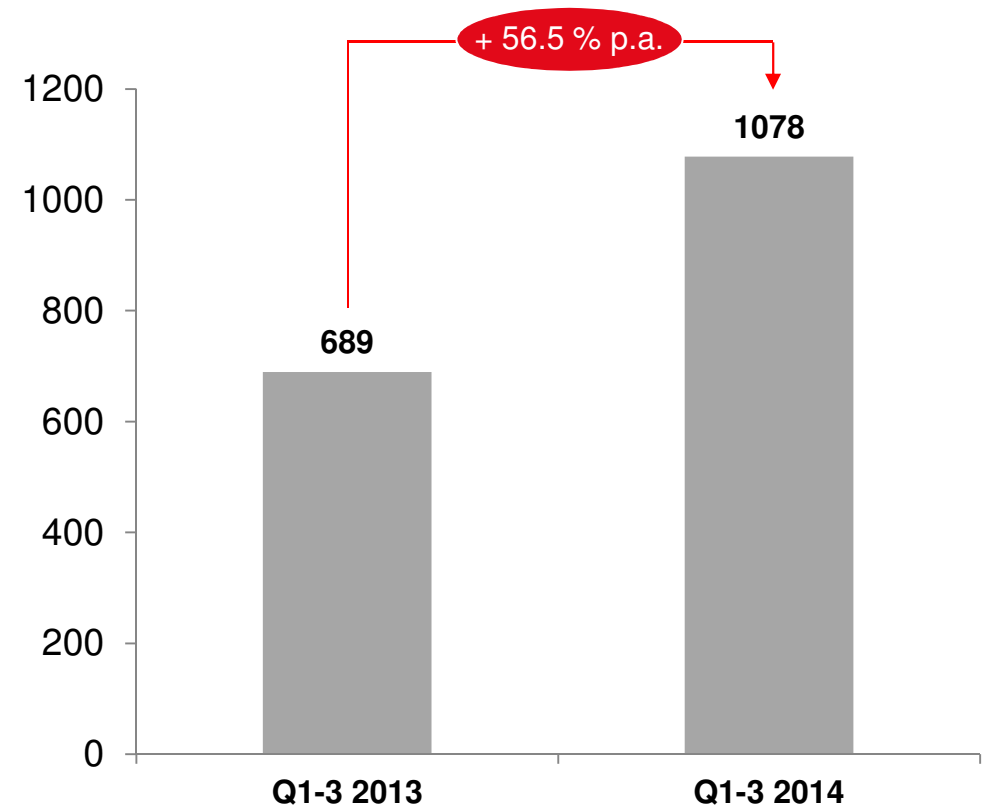
## Revenue growth of Publishing segment Q1-3 2013 vs Q1-3 2014

In EUR million



## Traffic growth of owned publishing portals Q1-3 2013 vs Q1-3 2014

Visits in million (source IVW)



# Tasks for 2014 – Continue excellent traffic development and crossdigital approach

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## Keep and increase traffic

- Through search engine optimization and social media
- Additional video content

## Product innovation

- More video content
- Improve „social“ integration
- Improve user experience

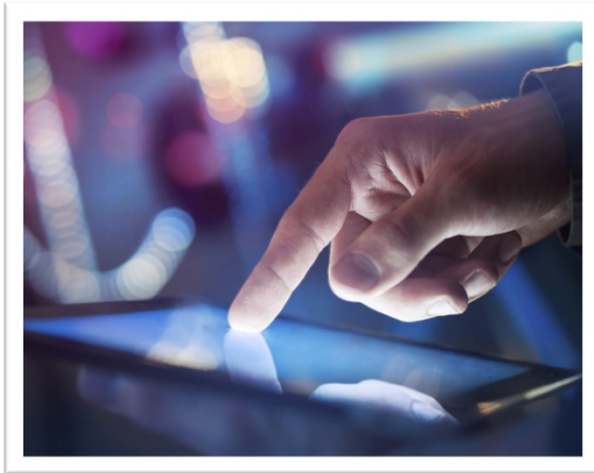
## Monetization

- Mobile in-stream advertising
- New native advertising formats
- New transaction-based revenue streams
- Continue cross-digital approach to gain more mobile advertising

Source:\* IVW & Facebook \*\* IVW, April 2014

# Subscription segment

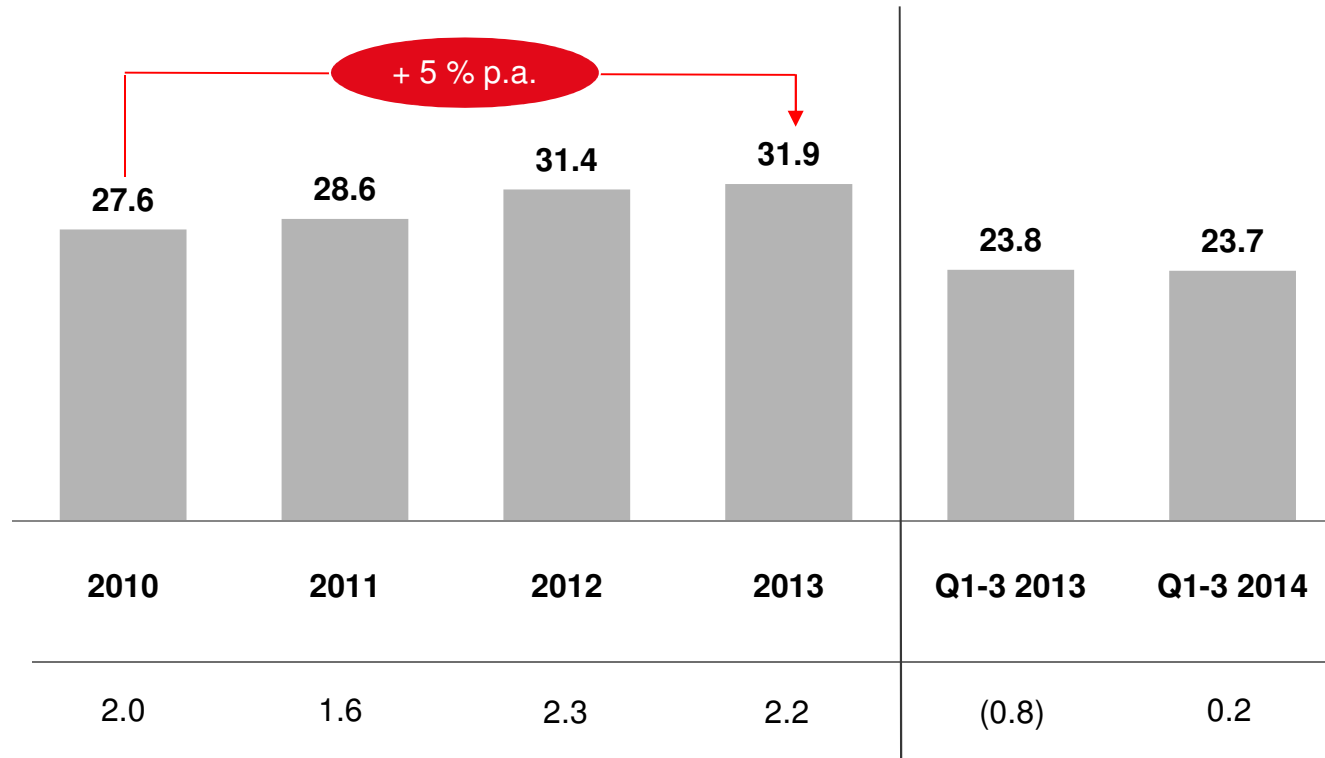
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We offer highly competitive unique  
**subscription-based online  
services**

# Subscription segment: Revenue and EBITDA

## Revenues in EUR million

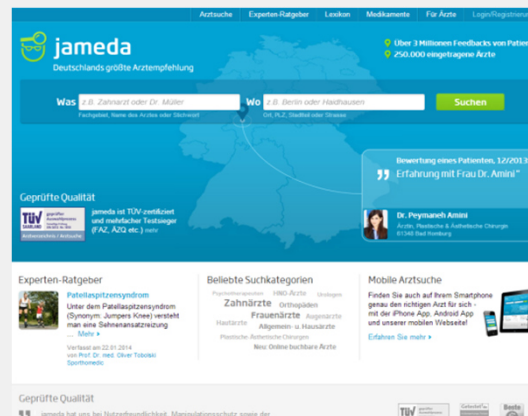


## EBITDA in EUR million

# Subscription portfolio



Profitable German  
matchmaking portal with  
approx. 35% market share  
(2013)



Market leading physicians rating  
platform in Germany

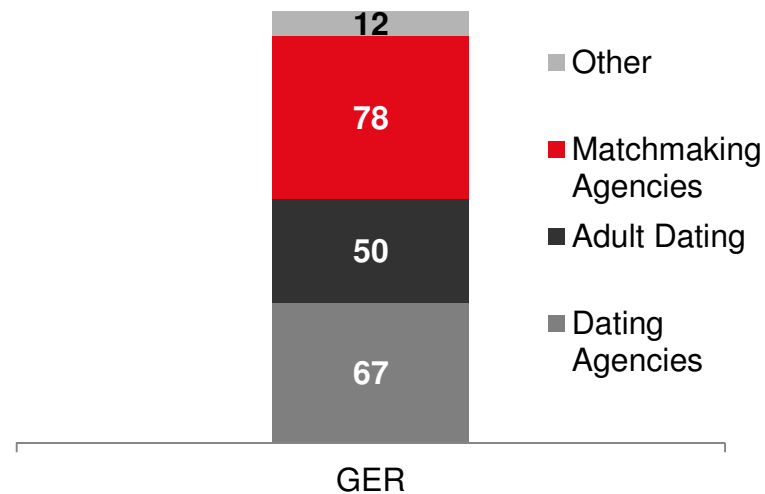


Online service for document filing  
and search

# Market subscription segment

## German matchmaking & dating market 2013\*

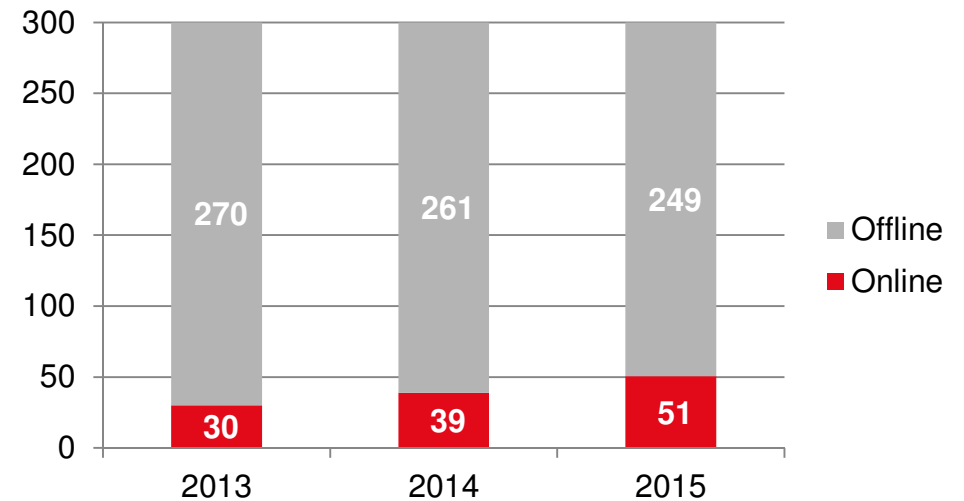
In EUR million



- ElitePartner: Best-in-class matchmaker generating stable EBIT margin (2014) of approx. 8%

## Ad spendings of German physicians

In EUR million



- Jameda: Market leading physicians rating platform with EBITDA growth of more than 100% (yoy 2014 vs 2013)

\*Source:own estimation

# Tasks for 2014: Ramp-up of direct sales and further improvement of customer satisfaction

## Customer satisfaction

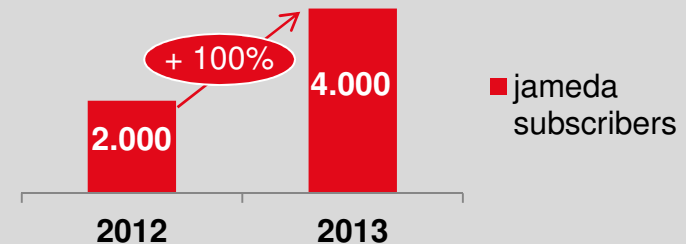
- Further improvement of customer satisfaction

## Product and service innovation

- ElitePartner: New mobile products and mobile first approach
- Jameda: Implement physicians appointments at jameda
- Organize.me: New functions, e.g. paying bills

## Monetization

- Grow subscriptions
- Ramp-up direct sales
- Increase average spent per user
- Improve customer loyalty



# Challenges

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- Implement new, substitutional revenue streams in every segment
  - e.g. Publishing segment: video ads, native ads, mobile ads, transaction-based services as display advertising is stagnating
- Growth of mobile reach is an opportunity and a challenge as well
- Grow reach on social platforms
- Reduce dependency on Google

# Appendix

# Group figures TOMORROW FOCUS AG (IFRS)\*

In EUR million		Q1-3 2014	Q1-3 2013	Change (in %)	3Q 2014	3Q 2013	Change (in %)
1	<b>Gross Revenue</b>	<b>152.5</b>	140.7	+8.4	<b>54.9</b>	50.5	+8.7
	<b>Net Revenue*</b>	<b>128.7</b>	119.1	+8.1	<b>44.2</b>	38.7	+14.2
2	<b>EBITDA</b>	<b>15.2</b>	12.6	+20.6	6.2	3.8	+63.2
	EBITDA margin	10.0%	9.0%		11.3%	7.5%	
3	<b>Depreciation</b>	<b>(5.4)</b>	(4.4)	+22.7	<b>(1.8)</b>	(1.5)	+20.0
4	<b>EBIT</b>	<b>9.8</b>	8.2	+19.5	<b>4.4</b>	2.3	+91.3
	EBIT margin	6.4%	5.8%		8.0%	4.6%	
5	<b>Financial result</b>	<b>(3.5)</b>	(4.4)	-	<b>(0.8)</b>	(0.9)	-
6	<b>EBT</b>	<b>6.3</b>	3.8	+65.8	<b>3.6</b>	1.4	+157.1
	EBT margin	4.1%	2.7%		6.6%	2.8%	
7	<b>EAT</b>	<b>3.4</b>	2.0	+70.0	<b>3.0</b>	1.0	+200.0
8	<b>EPS (in EUR)</b>	<b>0.06</b>	0.03	+100.0	<b>0.05</b>	0.02	+150.0

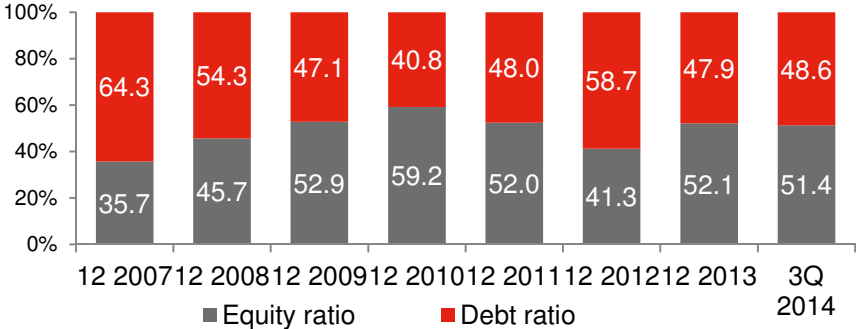
\*Excluding the following one-off-items: 1.) Q1-3/Q3 2014: EUR 1.7 m./0.6 m. ppa depreciation; Q1-3/Q3 2013: EUR 1.8 m./0.6 m. ppa depreciation;  
2.) EBITDA 2014 excluding EUR 5.3 m. one-off earning related to the derecognition of Put-call-options concerning RPC Voyages SAS  
3.) Earnings Q1-3/Q3 2014 excluding one-off loss of EUR 7.9 m. (before taxes) and EUR 8.3 m. (after taxes) related to the derecognition of Put-call-options and depreciation concerning RPC Voyages SAS

\* Net revenue: excluding revenue of RPC Voyages SAS

# Discounting of earn-outs and put-calls

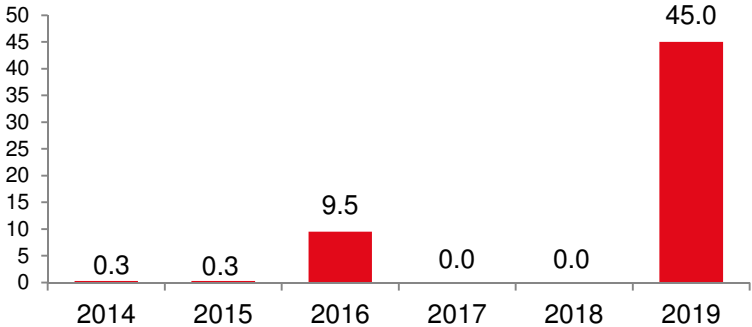
## Equity ratio vs. debt ratio 2007- 3Q 2014

In percent



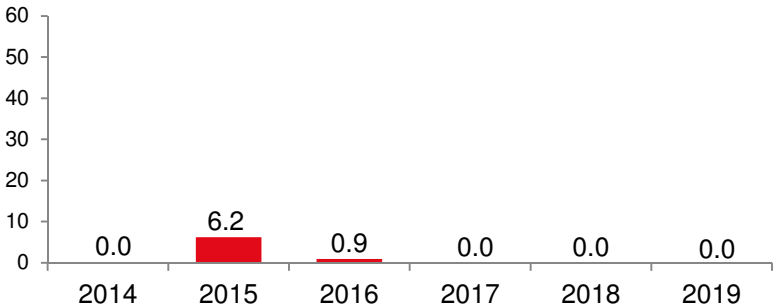
## Maturity of bank loans 2014 - 2019

In EUR million



## Earn-outs and put-calls 2014 - 2019

In EUR million



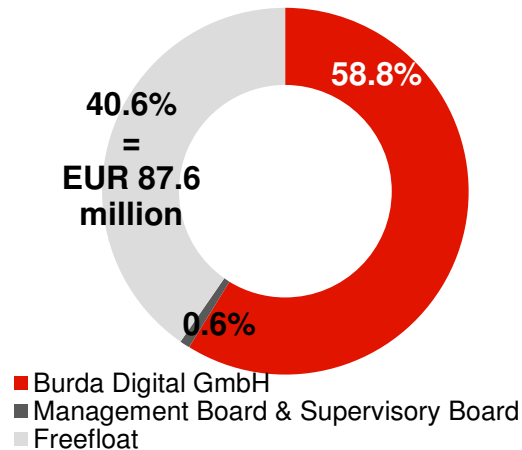
**TOMORROW FOCUS AG with sound balance sheet and debt structure**

# Important one-off effects in 2014 and 2013

One-off impact	Effect 2013	Effect 2014e
PPA depreciation Tjingo, Zoover, Ecotour, Netmoms	Depreciation EUR (2.4) million	Depreciation EUR (2.3) million
Interest accumulation for future put options	EUR (1.9) million	EUR (0.3) million
Derecognition of put-call options	EUR +16.1 million	EUR +5.3 million
Extraordinary depreciation	EUR (17.1) million	EUR (13.2) million

# TOMORROW FOCUS AG: One of Germany's leading listed internet groups

## Shareholdings



## Management Board



Toon Bouten  
CEO  
before that: European Directories Holding B.V.



Dirk Schmelzer  
CFO  
before that: Telefónica Group

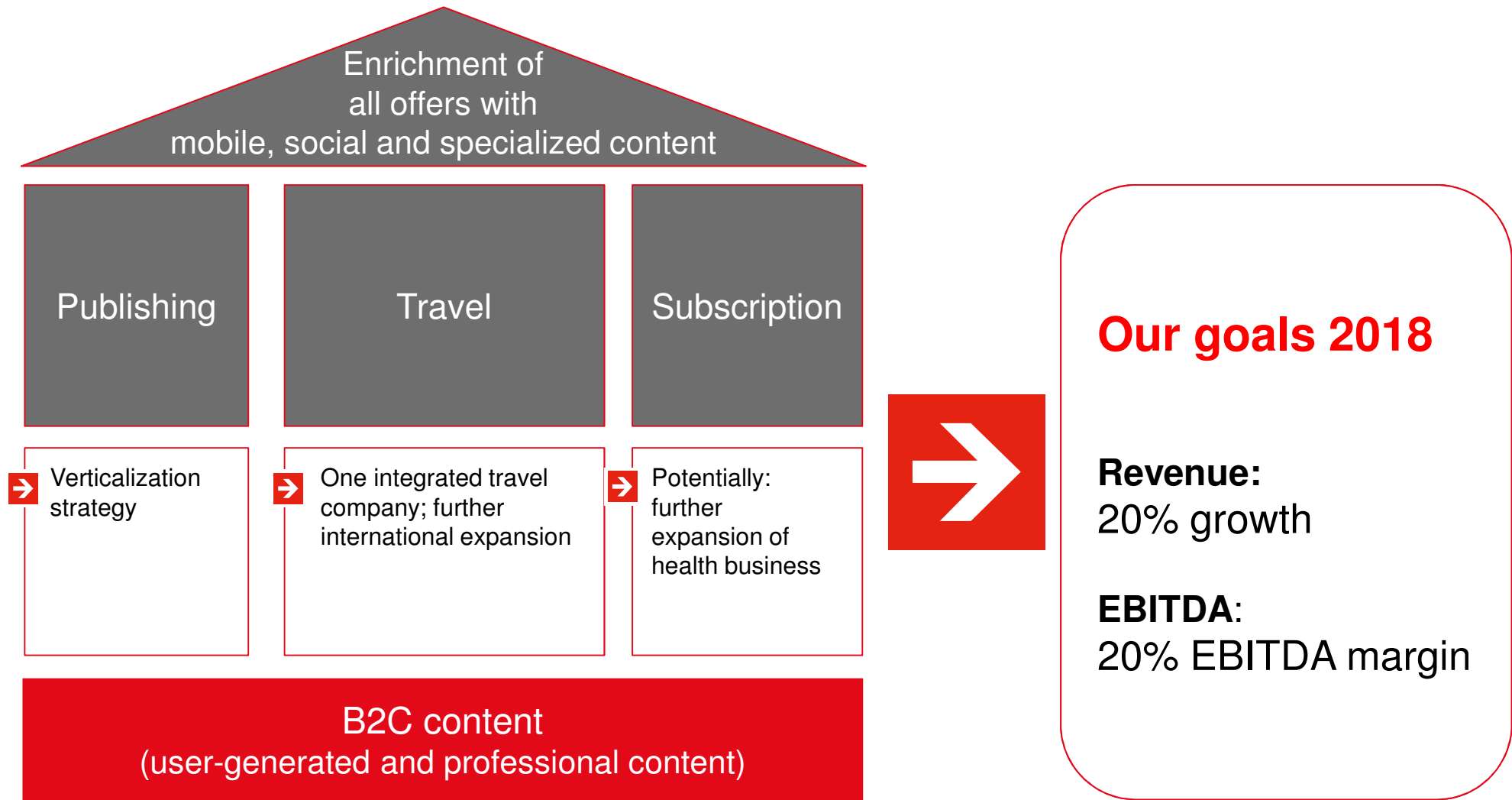


Christoph Schuh  
Member of the Management Board  
before that: Tomorrow Internet AG

## Key facts

- Headquarters: Munich, Germany
- Employees Q3/2014: 789 (FTE)
- Share capital: EUR 58,313,628
- Admitted to Prime Standard: ‚TFA‘; ISIN DE0005495239
- Share price 52wk high/low: EUR 4.50 / EUR 2.64
- Share price November 18<sup>th</sup> 2014: EUR 3.70
- Market capitalization: EUR 215.8 million

# TOMORROW FOCUS 2018



# Financial calendar 2014/2015\*

31 March 2015	Publication of the 2014 Annual Report	Munich, Germany
8 May 2015	Publication of the 1Q 2015 interim report	Munich, Germany
16 June 2015 11 a.m. CET	Annual General Meeting 2015	Munich, Germany Haus der Bayerischen Wirtschaft Max-Joseph-Str. 5, Munich, Germany
7 August 2015	Publication of the 2Q 2015 interim report	Munich, Germany
6 November 2015	Publication of the 3Q 2015 interim report	Munich, Germany
November 2015	Corporate presentation at the German Equity Forum 2015	Frankfurt, Germany

\* Provisional dates

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